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ABSTRACT

This report reviews the knowledge gained in 4 years of operation of labor mobility demonstration projects and provides guidelines on the design and operation of a permanent worker relocation program. Data were gathered both from written material covering the experience of each project and from field trips to some of the projects when additional data were needed for interpretative purposes. Measured in terms of program costs, training, relocation, and financial assistance, the labor mobility projects demonstrated that worker relocation can be used efficiently to assist unemployed people of various backgrounds and skill levels to find employment. As a possible method to alleviate structural unemployment caused by changes in the location and composition of economic activity, worker relocation can be an important part of a comprehensive national program for manpower development and utilization. (BH)

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WORKER RELOCATION:

A REVIEW OF U. S. DEPARTMENT OF LABOR MOBILITY DEMONSTRATION PROJECTS

by

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E. F. Shelley and Company, Inc.

Final Report

of a
study for the

U. S. Department of Labor
Manpower Administration

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PREFACE

The information and data reported herein were obtained pursuant to Contract No. 87-34-69-01 with the U. S. Department of Labor, Manpower Administration. Organizations undertaking such projects under Government sponsorship are encouraged to express freely their professional judgment. Therefore, points of view or opinions stated in this document do not necessarily represent the official position or policy of the Department of Labor.

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Summary of Findings and Recommendations

Labor mobility demonstration projects were authorized by the United States Congress in 1963 amendments to the Manpower Development and Training Act of 1962. The goal was to assess and demonstrate the effectiveness of a worker relocation assistance program for reducing unemployment. From March, 1965 through June, 1969, 35 agencies conducted 61 projects in 28 states and relocated more than 14,000 workers at a total program cost of $13 million while testing alternate methods of achieving this goal.

The purpose of the study on which this report is based was to conduct a comprehensive review of the experience of the labor mobility projects and to make recommendations on issues and techniques in the design and operation of a broader, permanent worker relocation program. The labor mobility demonstration projects provide valuable experience that can be utilized to develop guidelines for the design and operation of a permanent national program. The results of the pilot projects clearly indicate that worker relocation assistance can be an important component of the manpower development and utilization program of the United States.

A. Method of Study

The principal focus of the study was upon the experience of labor mobility projects. Records for individual workers relocated by the projects could not be analyzed within the limits of available resources. In conducting the study, written materials relating to the experience of each project were assembled and analyzed. The primary source materials were final reports on project activities. Other sources included project proposals, contracts and progress reports. Independent research and evaluation studies of projects were also utilized. To supplement and expand the information in these written records, visits were conducted to selected agencies to interview project directors and operating staff.

In addition, the legislative record, program handbooks and guidelines, internal Manpower Administration reports, and other materials were collected to obtain information on the history and structure of the program as a whole. These materials were used in conjunction with interviews with federal government officials to identify issues of importance in an assisted worker relocation program in the United States. Finally, the literature was reviewed for background information on natural migration patterns, worker relocation policies and programs in the U. S., and foreign worker relocation programs.

An important feature of the labor mobility demonstration projects was their diversity in terms of the employment problems and skill levels of relocated workers, the methods and techniques used in relocation, and the approaches of operating agencies. To take advantage of the differences in experience among projects, they were classified into nine categories according to the region in which the project operated and the skill level of relocated workers. These categories were very broad, due to the fact that many projects relocated a cross-section of workers and the information about different types of workers relocated by individual projects was not precise. Conclusions believed to have general validity have been illustrated by selected examples from experience of individual projects.

One of the important issues considered in the review of project outcomes was the effectiveness of the labor mobility projects. The effectiveness of worker relocation was considered in a broader conceptual framework as a tool for improving the utilization of human resources. Reducing unemployment is one measure of effectiveness in this context; other measures include an increased or redirected geographic mobility, improved regularity of employment, and increased earnings and incomes. In analyzing the evidence related to these measures, the basic focus was upon attempting to assess what the projects achieved that would not have happened had the program not been in operation. Factors which appear to have enhanced or limited the effectiveness of the pilot projects were utilized in developing recommendations for a permanent program.

B. Eligibility and Assistance

In the labor mobility projects, eligible for relocation assistance allowances were individuals who were involuntarily unemployed without local prospects for suitable employment, or who were members of farm families the income of which was less than $1,200 per annum. Persons having only occassional odd job employment were also eligible. It is recommended in a permanent program that eligibility criteria be expanded to include underemployed persons working less than full time or working full time at reduced wages, and fully employed persons earning incomes below the poverty level. The total product of society and the incomes of individuals could be increased by an effective relocation programs for these groups.

Labor mobility projects required a bona fide job offer before relocation assistance allowances were paid, but they did not require certification of a shortage of workers in the relevant occupations in the intended area of destination. It is recommended in a permanent program, that allowances be granted to individuals only for relocation to jobs in occupations in which there is a certified shortage of workers in the labor market area of destination. Consideration might also be given to limiting assistance to the amount required for a move to the nearest labor market in which an eligible individual could be placed in a suitable job. This limitation would reduce allowance costs somewhat and would discourage unnecessarily long moves.

Individuals who do not meet the above eligibility criteria relating both to their own employment situation and to labor market conditions in areas of origin and destination do not clearly have employment problems for which relocation would be a solution in terms of increasing employment, earnings or incomes. However, if individuals who are not eligible for allowances desire to move using their own resources, a permanent relocation program should provide information about employment opportunities in other labor markets and should provide other non-financial assistance needed to make the moves as effective as possible.

The administration and method of computing allowances caused problems in the labor mobility projects. All financial assistance for the moving of the worker, his family, and their household, and for settling-in expenses should be made in the form of lump sum grants computed on the basis of family size and distance to the area of destination. Computation on this basis would encourage moves by the most economical methods and would provide rebuilding funds for families without household goods. Payments should be planned according to the timing of the needs of individual families. The advent of computer processing should make it possible to program payments to each individual without imposing severe administrative burdens on the relocation agency.

The importance of financial assistance in worker relocation appears to be equalled or surpassed by the importance of nonfinancial assistance. Job information and placement services play a critical role in relocating workers and in directing labor mobility in economically rational directions. Pre-employment interview trips were an important tool in assisting unemployed workers to obtain effective information about available jobs and to make informed choices among different jobs and among alternate areas. Grants for such trips should be made on a per diem basis to workers for interviews with employers identified through the job development process. Supportive services, most especially assistance in locating housing, are needed by all relocating workers. Disadvantaged workers need much more extensive non-vocational services, including personal and family counseling, budgeting advice, and other types of assistance not normally associated with job placement.

C. Structure of a Permanent Program

The project structure of the demonstration program imposed limitations on the conduct and coordination of worker relocation. In a permanent relocation assistance program, one agency should have responsibility for worker relocation. The logical choice of an agency to conduct a broad national relocation program is the Federal-State Employment Service.

This agency has offices across the nation, has expertise in job development and placement, and is the major provider of manpower services in the nation. The alternative would be creation of a new agency, duplicative of the functions of the Employment Service.

However, several related problems must be solved before the Employment Service can effectively operate a national relocation program. The existing systems for collecting and distributing information about job openings are inadequate. The installation of computer-assisted banks of information about job openings in 56 individual metropolitan areas are a necessary step toward permitting the Employment Service to search the local labor market for suitable jobs for unemployed workers prior to certifying the need for relocation. However, these banks will not cover smaller metropolitan or rural areas for some time and, therefore, will not provide job information in the rural areas. Nor will these individual banks be linked in the near future to permit automated inquiries about job and worker availability outside the local area.

An interim solution to the linkage problem might be to permit direct telephone inquiries for the purpose of acquiring information about jobs and workers in other areas. The present procedure for information exchange through interarea clearance and the recruitment system is clearly inadequate to provide information which would give unemployed workers an effective choice among jobs and areas and which would prevent relocations to distant areas when jobs may be available nearby.

Coordinating the activities and efforts of separate Employment Service offices in the relocation of workers presented problems. Under the present system for most programs, staff resources are allocated by program slots. In the mobility projects, states or local offices without specific staff allocations for worker relocation were under no obligation to provide assistance to workers relocating to the area. The coordination of efforts is especially important for multi-problem disadvantaged workers.

Worker relocation should be integrated into a comprehensive program of vocational and non-vocational services for persons who have limited prospects for employment in the local labor market. Many such persons face multiple barriers to employment. In this context, worker relocation assistance could be used either as an alternative to other manpower development tools or as a complement to them in a program to increase the utilization of the manpower of the United States.

One of the most difficult problems arising in the labor mobility projects was that of providing adequate non-vocational or supportive services during the relocation and adjustment process. The Employment Service is developing approaches to cope with problems of personal and social adjustment which affect workers in relocation as well as other manpower programs. These problems are more complex in relation to worker relocation, and the Employment Service should consider either coordinating supportive services with other agencies or providing them itself.

D. Program Outcomes

The majority of labor mobility demonstration projects were designed to relocate the "general unemployed," or a cross-section of unemployed residents, from non-metropolitan areas to nearby metropolitan areas or regional growth centers. This program effort appeared to be successful and is reflected in the aggregate program results. More than 80 percent of relocated workers originated in non-metropolitan areas, and the majority of these relocated to metropolitan areas within the same state. Nine of ten were males, approximately half were single and under age 25, and most were blue collar workers. Approximately 75 percent remained in the area to which they relocated during the standard two-month followup period. The average relocation assistance payment to workers and their families was $294, and project expenditures for operations and administration averaged $573 per relocated worker.

The majority of the general unemployed had few skills and little experience, although approximately 20 percent had taken MDTA or other vocational training. Eleven projects focussed exclusively upon trained workers originating in depressed rural areas. Trained workers could be placed in jobs more easily than untrained workers, but, contrary to expectation, the outcomes of relocations of trained workers were not clearly more favorable than for untrained workers. The evidence on the effectiveness of a combination of training and relocation showed mixed results, however, and more detailed research appears to be needed to measure the effectiveness of such a combination and to assess the optimum combination in a permanent program.

Eight projects relocated professional and technical workers or other skilled and experienced workers unemployed as a result of mass layoffs. In these groups, the most mobile and most adaptable workers often found employment through their own resources prior to implementation of a project, and the labor mobility projects had difficulty placing in new jobs the less adaptable workers with skills highly specialized to one industry. Skilled and experienced workers appear to have been more stable than average after relocation. A permanent program would need the flexibility to apply resources more quickly in mass layoff situations.

One group which the labor mobility demonstration projects had difficulty in relocating was disadvantaged residents of the central cities of major metropolitan areas. Projects which attempted to relocate the urban disadvantaged to the urban fringes or suburban areas to which industry had moved were unable to achieve significant numbers of relocations. The barriers to such relocations appear to arise from a complex interaction of social, economic and attitudinal factors, and the potential of relocation for solving problems of urban unemployment appears to be limited at this time.

The quantitative and qualitative information relating to the measures of effectiveness give mixed indicators in respect of the effectiveness of the labor mobility demonstration projects, while at the same time pointing to ways of improving effectiveness in a broader, permanent program. On the positive side, virtually all relocated workers were unemployed prior to relocation, and relocation, by definition, placed them in jobs. All projects reported that, on the average, relocated workers experienced wage gains as compared with their previous employment. Three-fourths of relocated workers remained in the areas in which they were placed, if not on the same jobs, during the standard two-month followup period. Finally, projects designed to redirect the geographic mobility out of rural areas toward nearby employment opportunities and away from traditional urban destinations were able to do so.

Several factors cause uncertainty. First, the two-month followup period is a rather short period over which to assess the permanency of the measured gains. The question of permanency is the more relevant for workers who were employed in industries in which employment levels are traditionally volatile. Second, workers who relocated and later returned home also experienced earnings and employment gains, which might or might not be attributable to relocation. Finally, the methods and procedures of certain projects may have reduced the effectiveness of those projects.

All other things being equal, the positive results indicate that the labor mobility projects were effective in redirecting geographic mobility, reducing unemployment among relocated workers, and increasing their incomes and earnings. Recommendations have been made for the structure and operation of a permanent program which, if adopted, could help to resolve some of the problems that affected the operation of the projects. In the next section of this summary, research approaches are outlined which might remove other sources of uncertainty.

E. The Need for Additional Research

During the course of this study, some questions arose which could not be answered. The imaginative diversity among projects in response to particular conditions was a valuable part of the program, and this diversity emphasized the need for detailed comparative analysis among the results of different projects. However, the aggregated data available for the study did not permit this type of analysis. Knowledge about the potential and limitations of worker relocation could be expanded through two types of research efforts using disaggregated data.

First, the knowledge gained through the experience of the labor mobility demonstration projects could be more fully developed. The records for individual workers which are now stored in project offices could be assembled and analyzed. This would be a difficult task, because projects modified standard forms, used different definitions and completed questionnaires with varying degrees of accuracy. Nonetheless, a detailed, thorough analysis of such basic items as the demographic characteristics of relocated workers, wages, employment experience, occupations and location both before and after relocation would give a more complete picture of what was achieved. Lacking a control group, the experience of workers returning to the supply area could serve as a baseline for estimating the net effectiveness of relocation over the short two-month follow up period.

Second, an active research and evaluation effort could be included when a relocation program is implemented on a permanent basis. The amount of information collected on relocated workers should be reduced to a minimum consistent with the testing of well-formulated hypotheses. A sample of workers relocated could be interviewed intensively and followed over a longer period of time after relocation to assess the permanency of gains. To measure the influence of external factors on estimated gains, a three-part control group could be selected as a part of the normal screening process and similarly interviewed and followed over time. The three components of the control group could be (1) workers not eligible for relocation allowances, (2) workers eligible for relocation allowances but not moving, and (3) workers in areas of destination. Data from these sources and from social security earnings records could be compiled and analyzed on a regular basis to monitor and evaluate the ongoing program.

In conjunction with a permanent program, special experimental projects and research efforts would be required to examine particular problems. Carefully constructed projects might be used to explore further the effectiveness of a linkage between training and relocation and to examine the problem of relocating urban disadvantaged workers. The design of these experimental projects should include independent evaluation of outcomes, as well as monitoring and evaluation procedures consist with those used in the ongoing program.

F. Conclusion

The labor mobility demonstration projects have demonstrated that worker relocation can be an important tool in coping with problems of unemployment. Unemployed workers relocated by the projects were placed in jobs, and the majority appear to have experienced gains in employment, earnings and incomes.

Worker relocation is one method of solving or alleviating problems of structural unemployment arising from changes in the location and composition of economic activity. In conjunction with programs for regional development and other manpower programs, worker relocation can be an important component of a comprehensive program for developing and utilizing the manpower of the United States.

Chapter I. Introduction

A. Overview

The social and economic history of the United States has been strongly influenced by the internal migration of its population and the geographic redistribution of its labor force. Historically, immigrants in the 18th century spread themselves along the Eastern Seaboard between the coast and the Appalachian Mountains. This process continued throughout the 19th century, but was exceeded in importance and in magnitude by the great westward migration of the 19th and 20th centuries which populated the entire country by 1890, and which continues virtually unabated today. A third great stream of movement which has changed the character of the country over the past 100 years is the migration from the South to the North and West.

These migration streams have always been in the general direction of greater social and economic opportunity for the migrants, and the extensive redistribution of the labor force has permitted economic growth in the economy and prosperity for the majority of Americans. Yet, despite extensive migration, the benefits of economic progress have not been distributed equally among all regions or among all persons. Technological progress and shifts in consumer demands have led to declines in employment in agriculture, fishing, forestry, and mining, leading to the extensive unemployment and poverty in most rural areas of the United States, in Appalachia, and in the South. Migration from these areas, as a part of the great rural to urban migration, has concentrated in the central cities of major metropolitan areas many individuals who do not have the skills, the education, or the attitudes to equip them for urban employment.

A major economic force in the continuing redistribution of the population has been the fact that the ,"Rapidly declining labor requirements that have accompanied technological advance in agriculture have created considerable pressure for migration and occupational change."[1] Although the redistribution of the population had resulted by 1960 in 70 percent of the United States population living in urban areas of 50,000 population or more and only 7.5 percent living in rural farm areas,[2] the pressures of technological change continue to stimulate migration from rural areas.

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[1] Niles M. Hansen, "Urban Alternatives to Rural Poverty," Proceedings of the 1969 Annual Spring Meeting, Industrial Relations Research Association, p. 491.

[2] U. S. Bureau of the Census, People of Rural America, by Dale E. Hathaway, J. Allan Beegle, and W. Keith Bryant (A 1960 Census Monograph), (U. S. Government Printing Office, Washington, D. C., 1968), pp. 20-21.

The migration which has resulted from these economic pressures has further undermined the viability of rural areas by depleting the labor force in depressed rural areas. One study concluded:

> Net out-migration of the kind that has taken place in redevelopment areas in the past and is likely to continue in the future leaves behind a population that is less and less able to cope with the already difficult economic conditions in these areas, and that is less and less likely to migrate.[3]

In addition to the effects of structural changes in the economy, governmental policies and programs affect the location and composition of production and employment. Federal policy decisions on public works programs, national defense production, and tariffs, and trade quotas affect workers in these activities. Federal support of technological change in industries, especially agriculture, affects their growth and development. States compete through tax incentives and subsidies to attract new industry or retain existing industry. The building of new highways changes transportation costs within and between areas, and has contributed to the moving of industry to the fringes of urban areas. Mortgage insurance programs and urban renewal projects affect the location of housing. Although the effect of each of these policies and programs may be small in relation to other factors, their cumulative impact can be significant for specific areas.

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[3] John B. Lansing and Eva Mueller, The Geographic Mobility of Labor, (Survey Research Center, Institute for Social Research, Ann Arbor Michigan, 1957), p. 322, emphasis in the original.

These factors, combined with the apparent failure of redevelopment efforts to solve the problems of structural unemployment in depressed regions, have led many authorities to recommend a program of relocation assistance to increase migration from rural areas and to direct it toward regional centers of economic growth. In 1963, the Congress of the United States amended the Manpower Development and Training Act of 1962 to permit:

> ...projects designed to assess or demonstrate the effectiveness in reducing unemployment of programs to increase the mobility of unemployed workers by providing assistance to meet their relocation expenses.[4]

The purpose of this report is to review the experience of projects conducted under this legislation. As a background to the review, this introduction contains a discussion of who migrates and why, financial resources available to unemployed persons who must relocate to find jobs, economic concepts relating to migration and relocation, and the methods and plan of the study on which this report is based.

B. Who Migrates and Why

The need for relocation assistance to increase the geographic mobility of labor is limited, because Americans as a whole are a very mobile people. In addition to the great historical movements noted previously, in each year one-fifth of Americans move to a different house, between five and seven percent move to a different county, and half of these move to a different state. More than three-fourths of all persons live in a different state from that in which they were born, and only one-fourth have never lived outside the specific area in which they were born.[5]

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[4] U. S. Congress, Manpower Development and Training Act of 1962, as Amended, Public Law 88-214, 88th Congress, 1st Session, 1963, Section 208.

These statistics include all persons, whether in the labor market or not. To provide an overview of mobility in the labor force, the basic characteristics of males aged 14 and over who moved between counties and the percent who moved in each group are tabulated in Table I-1 on the following page. In this table, migration is defined as movement between counties, because the majority of such moves also may be moves between labor markets. In all, 4.6 million males of working age, 6.9 percent of the total, moved during the year covered by the survey.

The majority of movers between counties in the year preceeding the date of the survey on which the statistics are based were men in the prime working ages from 22 through 44, who were married, were employed at the time of the survey, and who had completed at least 12 years of schooling. However, the migration rates were highest among men aged 22 to 24, unmarried men, men who were unemployed or in the Armed Forces at the time of the survey, and men who had attended college.

Some of the reasons for labor force migration are evident from these statistics. The correlation between age and migration reflects many other factors. Men in the age groups with the high-

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[5] Lansing and Mueller, op. cit., pp. 15-17.

Table I-1. Male labor force migration in the United States: Characteristics and percent who migrated between counties, March 1967 to March 1968, among males 14 years old and over, March 1968.

	Migration Rate (Percent)	Distribution of Characteristics (Percent)
Total		
14 years old and over	6.9	100.0
Age		100.0
14 to 17	5.1	8.4
18 and 19	7.6	5.0
20 and 21	14.4	8.6
22 to 24	18.5	15.2
25 to 34	12.1	29.7
35 to 44	6.3	15.7
45 to 64	3.1	12.8
65 and over	2.6	4.6
Marital Status		100.0
Single	7.1	28.4
Married, spouse present	6.4	60.4
Other marital status	9.9	11.2
Labor Force Status		100.0
Armed Forces	28.5	6.5
Employed	6.5	66.2
Unemployed	11.4	4.1
Not in labor force	6.2	23.1
Education[a]		100.0
0 to 8 years	3.9	21.2
9 to 11 years	4.9	14.5
12 years	5.5	27.5
13 or more years	9.2	36.8

Source: U. S. Bureau of the Census, Current Population Reports, Series P-20, No. 188, "Mobility of the Population of the United States: March 1967 to March 1968," (U. S. Government Printing Office, Washington, D. C., 1969), Tables 3, 4, and 7.

[a] Years of school completed for males age 25 and over. Of this group, 5.8 percent migrated between counties.

migration rates are likely to be marrying and forming families. Although the migration rate for all married men living with their spouses was below the average, 26 percent of men first married in the year preceeding the survey also migrated during that year, a rate more than three times the average. Men in these age groups also were likely to be completing their formal schooling and entering the labor market for the first time, although the data on education in Table I-1 pertain only to men age 25 or over.

An important influence on the migration of young men is that of service in the Armed Forces. More than one-fourth of all men in military service moved between counties, and 85 percent of these also moved between states. While the migration of members of the Armed Forces is largely involuntary and is not comparable to that of other groups, it may be an important factor in the subsequent migration patterns of young men. As a result of extensive travel and contact with new environments, these men may acquire information which they will use in deciding upon a location after leaving military service.

In relation to a relocation assistance program, the most important reasons for moving are the economic reasons. The data in Table I-1 show that migration rates for unemployed males were almost double those of employed males. It may be inferred that unemployment is an important reason for migration, although labor force status in the survey was measured at the end of the period. Unemployment could be the result of migration as well as the reason for it. Therefore, it is not certain that the data prove the importance of economic reasons for migration.

Because of the uncertainty, one study of the geographic mobility of labor asked a national sample of household heads their reasons for moving. The findings of the study were as follows:

> It is clear the members of the labor force move largely for economic reasons: sixty-one percent mentioned economic reasons *only*...Besides those who were motivated by economic reasons *only*, there was a group (comprising 16 percent of movers in the labor force) who reported a combination of economic and non-economic reasons.[6]

Thus, more than three-fourths of male heads of households who were in the labor force moved primarily or partly for economic reasons. Among specific reasons given, 15 percent mentioned unemployment or lack of steady employment, 20 percent mentioned a job transfer or reassignment, and 29 percent mentioned a higher rate of pay or a better job.

These findings show not only that large proportions of the labor force move in each year, but also that those who migrate do so primarily in search of economic opportunity. This does not mean that the decisions about when and where to move are well planned or based on reliable information. More than one-third of movers had thought about moving for less than one month, less than 30 percent had considered more than one potential destination, and two-thirds had a pre-arranged job, including workers who were transferred by their employer. Only ten percent of movers who went to work for a new employer used more than one source of information about the new area. The principal sources used were friends and relatives, and a special trip to the area.[7] It is not surprising, therefore, that only slightly more than half the movers achieved gains in employment, wages, and incomes.[8]

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[6] Lansing and Mueller, *op. cit.*, p. 59, emphasis in the original.

The lack of significant economic gains resulting from migration has been noted in other studies of the economic results of migration based on aggregate census data[9] and on the experience of individual movers[10] alike. This is especially true of moves from rural to urban areas, and these results have led one authority to raise serious questions about the desirability of a relocation assistance program for the rural unemployed.[11] The evidence cited above suggests, however, that a relocation assistance program might be of significant value if it could provide accurate information of the availability and location of jobs to unemployed persons who must relocate to find employment. The labor mobility demonstration projects will be examined in light of these questions.

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[7] Lansing and Mueller, op. cit., pp. 210-214.

[8] Ibid., pp. 81-84 and 248-249.

[9] See, for example, John B. Lansing and James N. Morgan, "The Effect of Geographic Mobility on Income," Journal of Human Resources, Vol. II, No. 4, (Fall, 1967), pp. 449-460.

[10] Brian B. Perkins and Dale E. Hathaway, The Movement of Labor Between Farm and Nonfarm Jobs, Research Bulletin No. 13, Michigan State University Agriculture Experiment Station, East Lansing, Michigan, 1966.

[11] Varden Fuller, "Farm Manpower Policy," in C. E. Bishop, ed., Farm Labor in the United States, (Columbia University Press, New York City, 1967), pp. 97-115.

C. The Availability of Financial Assistance

The legislative mandate for the labor mobility demonstration projects focuses upon the provision of financial assistance to meet moving expenses as a key part of a worker relocation program. The study by Lansing and Mueller found that the average direct expenditure for moving was $225, and that three-fourths of all moves cost less than $200.[12] Moves by commercial movers were more expensive, but the estimates of the costs of moving by other means did not include components for the labor of the individual in packing, transporting, and unloading household goods. From a conceptual point of view this unpaid labor is a part of the real cost of moving, even if it is not an out-of-pocket expense. In addition, the estimates do not include temporary living expenses incurred in the process of finding housing and settling-in to a new area. While the out-of-pocket expenses of moving appear to be small they may represent a significant barrier to moving for the workers who have been unemployed for long periods of time or for poor families.

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[12] Lansing and Mueller, op. cit., pp. 233-239.

Few sources of financial assistance are available to meet the expenses of unemployed workers who must move to find a new job. Although employers normally pay the moving expenses of executive and managerial personnel, surveys by the National Industrial Conference Board of the personnel policies and practices of companies show that the same does not hold true for nonsupervisory personnel.[13]

In five non-manufacturing industries, 10 percent of the companies surveyed paid pre-employment interview expenses, and approximately the same percent paid part or all of the expenses of newly-hired employees for transportation of the employee, his family, and their household goods. Six percent paid allowances for temporary living expenses in the new area. Of companies in ten manufacturing industries, 27 percent paid traveling expenses for pre-employment interviews, but only three percent paid these for both white and blue collar workers. One-fifth paid part or all of the expenses of moving household goods for newly-hired workers, 16 percent paid for the transportation of the employee's family. Roughly half of these companies paid allowances for both blue collar and white collar employees, while the remainder paid allowances for white collar employees only. Companies were much more likely to pay moving and related expenses for employees who were transferred to another location. However, such allowances would not be of use in meeting the needs of unemployed workers.

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[13] The National Industrial Conference Board, Studies in Personnel Policy. Office Personnel Practices: Non-manufacturing, (No. 197, 1965); and Personnel Practices in Factory and Office: Manufacturing, (No. 194, 1964.)

Another potential need for worker relocation derives from the direct effects of changes in the location of production facilities or the automation of production processes. The Trade Expansion Act of 1962 provides for relocation allowances to workers who are affected by agreements reached under it. In recent years increasing numbers of workers have become covered by collective bargaining agreements which provide for varying combinations of severance pay, supplemental unemployment benefits, and relocation allowances under certain conditions of work transfer, plant closing, or permanent layoff.

In a recent Bureau of Labor Statistics survey of major collective bargaining agreements,[14] 34.5 per cent required the company to pay all or part of the relocation expenses of laid-off workers in certain circumstances. These provisions applied to 60 per cent of the 3.4 million workers covered by agreements in the survey and were most prevalent in primary metal and transportation equipment, among manufacturing industries, and in transportation, utilities and communication, among nonmanufacturing industries. These five industries accounted for 90 per cent of covered workers. Therefore, although the prevalence of relocation provisions is increasing, significant numbers of union workers in major industries are not covered.

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[14] Bureau of Labor Statistics, Plant Movement, Transfer and Relocation Allowances, (BLS Bulletin No. 1425-10, July 1969), pp. 55-78.

The availability of relocation assistance allowances for displaced workers does not insure that the mechanisms established in collective bargaining agreements will respond with sufficient speed to avert extended periods of unemployment in their present location. The experience of Armour and Company is instructive in this respect.[15] Armour established an Automation Fund Committee in 1959 to assist in coping with problems of worker dislocation arising from impending plant closings due to obsolescence and technological changes in the meatpacking industry. In four cases in which plants were closed between 1961 and 1965, more than 4000 workers were displaced. Of these, approximately 500 transferred to other facilities of the same company and remained employed.

The effectiveness of the relocation and transfer provisions was perhaps greater than indicated by these numbers, because the agreements evolved over a period of years and included both contractual and extracontractual arrangements. There were, however, several substantive limitations which might occur in other plants at appropriate times. Complex seniority provisions made layoff protection in the new plant uncertain. There was competition among unions at different plants, and competition with other workers in areas where jobs were available. The financial burden of unemployment for individuals was eased by the availability of severance pay, and the right to severance pay was not lost if transferred workers returned to the original area within six months. While this provision eased the immediate financial burden on the individual, in the long run workers who did not transfer might still need relocation assistance to find stable employment.

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[15] George P. Schultz and Arnold R. Weber, Strategies for the Displaced Worker, (Harper and Row, New York, 1966), Chapter 3.

In summary, then, few unemployed workers or workers facing the prospect of unemployment have sources of financial assistance available to help meet the expenses of moving to a new area for employment. This, combined with the fact that many moves are made on the basis of incomplete or unreliable information about the location of job opportunities, indicates the need for a worker relocation assistance program. Some conceptual issues in assessing the effectiveness and the costs of such a program are discussed in the next section of this introduction.

D. Concepts and Methods

The economic goal of the labor mobility demonstration projects stated in the legislative mandate was to reduce unemployment. More generally, the Congress set three goals for programs under the Manpower Development and Training Act:

> ...to alleviate the hardships of unemployment, reduce the costs of unemployment compensation and public assistance, and to increase the Nation's productivity and its capacity to meet the requirements of the space age.[16]

These three goals, together with that of reducing unemployment, may be translated into measures of the effectiveness of worker relocation as a manpower tool. The conceptual framework used derives from labor market theory and the theory of human capital as it relates to migration.[17] The following discussion outlines in qualitative terms indicators of the potential effectiveness of worker relocation, since detailed quantitative analysis could not be conducted in this study.

The goal of alleviating the hardships of unemployment implies a concern on the part of Congress with the income losses suffered by individual workers and their families as a result of unemployment. In positive terms, achievement of this goal might be measured by the increase in real disposable income arising from relocation. Therefore, this goal corresponds approximately to the theoretical motivation for individuals to relocate or to migrate. The increase would derive from the interaction between gains in the proportion of time employed and gains in wage rates while employed. Unemployed persons who obtained employment through relocation would experience an obvious and immediate increase in the proportion of time employed. Underemployed persons might also gain through increased regularity of employment and higher wage rates.

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[16] Manpower Development and Training Act of 1962, as Amended, Public Law 88-214, Section 101.

[17] A considerable body of literature has been developed which applies the theory of human capital to human resource development and to migration in particular. Some relevant studies are contained in the Journal of Political Economy, Vol. 70 (October, 1962): Larry A. Sjaastad, "The Costs and Returns of Human Migration," pp. 80-93; Gary S. Becker, "Investment in Human Capital: "Information in the Labor Market," pp. 94-106. Also, Mary Jean Bowman and Robert G. Myers, "Schooling, Experience, and Gains and Losses in Human Capital through Migration," American Statistical Association Journal, (September, 1967), pp. 875-898; and Gerald G. Somers, ed., Retraining the Unemployed, (The University of Wisconsin Press, Madison, 1968). This literature has been drawn upon freely.

The gain in real disposable income for the individual worker is in general less than the earnings gain, due to higher taxes. The income gain of unemployed persons could be reduced by the loss of unemployment compensation or public assistance. Persons who move from rural to urban areas might also encounter higher costs of living and a loss of income in kind which would further reduce the net real gain in disposable income.

The goal of reducing the costs of unemployment compensation and public assistance is measured by the losses of such payments by unemployed workers who find employment through relocation. The realized savings in transfer payments reduce the cost of unemployment for the government, and higher taxes paid on higher earnings increase government revenues.

The third goal, that of increasing the Nation's productivity, implies increasing the utilization of the productive capacities of workers, whether they are unemployed or underemployed. By placing persons in areas and jobs where their skills and capacities are fully utilized, a program of worker relocation can increase the total product of the economy. The measure of this increase, other things being equal, is the earnings gain of relocated workers.

Defined in these terms, the gains to individual workers and the gains to the economy as a whole are closely related. These gains have two dimensions, size and duration. Ignoring cyclical variations in levels of employment attributable to changes in levels of aggregate demand in the economy, the existence and magnitude of gains are closely related to labor market conditions in areas of origin and destination.

The need for relocation derives from a semi-permanent lack of suitable jobs in the labor market in the area of origin. Generally, areas with high and persistent unemployment are likely to have surpluses of workers in most occupations, although some specific occupations in these areas may have shortages. Surpluses of workers in specific occupations also may arise in areas of low average unemployment due to plant closings or other special circumstances.

One condition for worker relocation to be effective is that relocated workers be unable to find suitable employment in the local labor market. The relocation of an unemployed worker who could have found a suitable job in the area of origin would be an unnecessary move, and therefore not effective in terms of the above measures. Although such circumstances can only be evaluated on a case by case basis, the procedures and methods of projects were studied to assess the extent to which they examined local employment opportunities for workers prior to relocation.

Similarly, labor market conditions in areas of destination are related to the effectiveness of worker relocation. If such areas have high average unemployment rates or high unemployment rates in the specific occupations in which relocated workers are placed, the probability is increased that relocated workers are substituting for equally qualified workers already residing in the area. The relocated worker may retain his job and therefore experience a gain at the expense of another worker, but the total product of the economy would not be increased. The extent to which labor mobility projects examined labor market conditions in areas of destination was also considered in this study.

Although worker relocation has been defined as a tool for coping with problems of structural unemployment, cyclical variations in the level of aggregate demand have an impact on the effectiveness of worker relocation in two ways. First, employment in some industries is more volatile than in others in response to general cyclical variations. The duration of employment for relocated workers placed in volatile industries is therefore likely to be shorter, although such industries frequently pay higher initial wages and therefore are more attractive in the short run.

Second, during periods of general recession, it is more difficult to distinguish between unemployment arising from structural change and that arising from the recession itself, and it is more difficult to locate areas having labor shortages in relevant occupations. In short, a program of worker relocation would be difficult to operate effectively under conditions of generally high levels of unemployment.

A relocation program also entails costs. The continuing monetary costs of relocation for individuals have been subsumed above as deductions from the income stream. One-time costs include the costs of transportation of the worker, his family, and their household goods to the new area; settling-in expenses in the receiving area; and temporary living expenses associated with the search for housing. Another cost may be income and earnings foregone during the process of moving, searching for a new job, and establishing a residence in the new area. Presumably these direct and indirect monetary expenses could be compensated through financial assistance and nonfinancial services during the relocation process. Workers also may experience non-monetary "psychic" costs arising from separation from familiar surroundings and friends, and from adjustment to a new environment. These costs are real deductions from the net income gain, but they cannot be compensated as easily as other costs listed above.

The real costs of a worker relocation program to society as a whole are the costs of the personnel who must administer the program and of other resources used in the program which could be devoted to other uses. Relocation assistance allowances and other direct financial aid to workers represent a transfer of income from one group in society to another. The same is true of other transfer payments to unemployed workers. While these show up in a government budget as an expense item, they do not in general represent a real resource cost to society as a whole in terms of lost production.

Worker relocation and natural migration redistribute the labor force among areas. Some of the costs and gains to sending and receiving areas arising from the relocation of workers were alluded to at the beginning of this introduction. Relocation could operate to drain manpower from economically viable areas and reduce their economic potential. In-migration to congested areas imposes additional costs on those areas,[18] and worker relocation could add to those costs.

To this point, little has been said of the relationship between the actual geographic mobility of labor and the effectiveness of worker relocation. Congress clearly assumed that an increase in geographic mobility was necessary for relocation to be effective, but several of the issues discussed above indicate that relocation could increase incomes or reduce social costs if it merely directed migration toward areas of destination in which individual workers could achieve income gains without imposing added burdens of unemployment or social services on previous residents of the area. It does appear that, if relocated workers could not have found suitable employment in areas of origin, then one condition for effectiveness related to geographic mobility is that workers not return to those areas.

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[18] A recent study of in-migration to 94 cities estimated that the average cost of social services per in-migrant was $72; however, in one city the average cost was $301, and was more than $120 in 22 cities. See Ronald W. Crowley, "An Empirical Investigation of Some Local Public Costs of In-Migration to Cities," Journal of Human Resources, Vol. V. (Winter, 1970). pp. 11-23.

These considerations provide some delineation to the meaning of the effectiveness of worker relocation as interpreted in this study. In reviewing the experience of the labor mobility demonstration projects, consideration was given to the economic concepts and issues discussed above in an effort to evaluate the effectiveness of worker relocation. However, it was not possible to apply the concepts and criteria in a systematic manner to perform a conclusive analysis of the effectiveness of worker relocation, either for individual workers or for society as a whole.

The final reports for individual projects constitute the primary sources of information about the activities and achievements of projects for this study, although research reports and other sources have been used in specific instances and will be cited. These project reports represent the distillation of the experience of agencies and administrators, and they contain the most detailed information available on the use of relocation assistance as a method for improving the utilization of manpower.

One limitation on these reports was that no guidelines for report preparation were issued until August 1968, and only Employment Service agencies were required to comply with the guidelines. Consequently, report formats and coverage vary considerably from project to project, even when successive projects were conducted by the same agency. Another limitation was that all agencies used similar terminology in describing their activities, obscuring fundamental differences among the projects in methods, techniques and results. Specific examples will be noted at appropriate points in this report.

To overcome these problems and to gain insight into operational problems, ten visits were conducted to agencies which were, or had been, conducting labor mobility demonstration projects. Details of these visits are listed in Appendix B. In addition, a copy of the data compiled for each project from final reports, progress reports, and other sources was mailed to each agency for correction and completion. The statistical profile of each project in Appendix A includes the information received from the agencies.

As projects designed to test the effectiveness of relocation assistance as a method of improving the utilization of human resources, the labor mobility demonstration projects were required to collect detailed data on relocated workers and their families, both before and after relocation. It was expected by the planners that these detailed data would be carefully analyzed to yield measures of the effectiveness of relocation in different geographic areas, for different types of unemployed persons, and with different types of relocation assistance. To obtain the requisite data, five data collection instruments were designed and implemented in 1965.

The theoretical content of these data collection instruments is relatively complete, and a thorough comparative analysis based on records derived from them should provide a firm basis for assessing the potential and limitations of worker relocation for different population groups having different employment problems. However, no regular system was established for preparing and compiling data from these documents. Some information was compiled and published in 1966 and in 1967, and this will be used where relevant, but a complete analysis of the data would permit more concrete conclusions to be drawn.

At best, the qualitative and quantitative information on which this report is based is incomplete, and at worst it is misleading. Therefore, throughout the remainder of the report, examples have been selected to illustrate what are believed to be valid, general points. Citations of specific agency or project experience have been kept to a minimum.

This rather lengthy introduction provides the background against which the experience of the labor mobility demonstration projects was examined. Chapter II presents an overview of the structure of the program and describes the basic results in terms of the number of workers relocated. In Chapter III, the organization of projects, the methods used for worker relocation and the limitations of these methods are analyzed. Chapter IV discusses some measures of the effectiveness of worker relocation, and Chapter V contains a brief summary of conclusions.

Chapter II. An Overview of the Worker Relocation Assistance Program

The labor mobility demonstration projects served different groups of unemployed workers in a variety of economic environments using different methods and procedures. However, the basic authorizing legislation and the program guidelines promulgated by the Department of Labor create a uniform context within which all projects operated. It is the purpose of this chapter to outline the evolution of the legislative mandate, to examine the program guidelines, and to develop a basic classification of projects within which the analysis of the project experience will be conducted.

A. Legislative Mandate

The labor mobility demonstration projects were first authorized by the 1963 amendments to the Manpower Development and Training Act. Worker relocation assistance was proposed as a part of the original Manpower Development and Training Act, and was the subject of hearings before the House and the Senate in 1961. At that time worker relocation was a controversial program. It was assumed by both proponents and opponents of the relocation provision that the majority of workers moved under it would be moved from economically depressed rural and Appalachian areas. Proponents argued that many workers were unemployed primarily or solely because they resided in areas where no job opportunities existed which would utilize their skills. In such circumstances, vocational education or retraining programs would not generally be sufficient to increase employment. In addition, most experts testified that the European experience with subsidized worker relocation showed favorable results, both in reducing unemployment and in meeting skills shortages. Opponents argued that relocation would contribute to a decline in already-depressed areas by depleting the skill base of the labor force, reducing the level of business activity, depressing real estate values, and lowering the utilization of public facilities, while at the same time relocation would impose new burdens on these same facilities in the receiving areas.

The actual legislation reflects a compromise between these points of view, restricting relocation to a limited number of geographic areas with a limited amount of funds and over limited periods of time. The 1963 amendment authorized labor mobility projects only until June 30, 1965, although the authority has been extended three times and now runs through June 1970. In each case, the extension was for a shorter period than the extension of authority for MDTA as a whole, and the authority actually lapsed during a four month period from June 1968 through October 1968.

The 1965 amendment also transferred the labor mobility demonstration projects from Title II, which contains training and skill development programs, into Title I, clearly labelling relocation an experimental program. Authorized funding was limited to

$4 million from 1963 to 1965 and to $5 million in each subsequent year. The schedule of appropriations in each fiscal year is presented in Table II-1. A small appropriation was made in fiscal year 1965, but amounts appropriated in each succeeding year more closely approximated the authorized amounts, up to the temporary lapse in authority. No funds were appropriated after the end of fiscal year 1968.

Table II-1. Appropriations for Labor Mobility Demonstration Projects, by Fiscal Year, 1965 to 1968

Fiscal Year	Authorization	Appropriation
1965	$4,000,000	$1,306,734
1966	5,000,000	4,993,385
1967	5,000,000	5,000,000
1968	5,000,000	4,325,327

Source: Office of Financial and Management Services, Manpower Administration, U. S. Department of Labor

B. Guidelines for the Payment of Relocation Assistance Allowances

The legislative mandate provided general outlines which were translated into program guidelines governing the eligibility of workers for relocation assistance allowances, the size and structure of relocation assistance allowance payments, and the structure of projects conducting relocation. Guidelines setting forth the criteria for eligibility for relocation assistance allowances and governing the size of allowances were developed jointly within the Manpower Administration by the Bureau of Employment Security and the Office of Manpower, Automation and

Training. The Procedures for the Payment of Relocation Assistance Allowances were first issued in February 1965 and were revised in March 1966 to reflect the changes of the 1965 amendment.[1]

The criteria for eligibility for relocation assistance define the portion of the labor force that might benefit from the financial assistance. The law states the relocation assistance may be provided:

> ...only to involuntarily unemployed individuals who cannot reasonably be expected to secure fulltime employment in the community in which they reside, have bona fide offers of employment (other than temporary or seasonal employment), and are deemed qualified to perform the work in which they are being employed.[2]

The guidelines define an individual as being involuntarily unemployed if he is (a) unemployed through no fault of his own, or (b) unemployed for six or more weeks regardless of cause of termination, or (c) a member of a farm family with less than $1,200 annual net farm family income. Occasional odd job employment is not considered employment within the meaning of these definitions.

The Procedures define relocation expenses in four cost categories, as follows:

a. Transporting the applicant and his family from his current place of abode to the area of relocation;

b. Transporting the applicant's household goods from his current place of abode to the area of relocation;

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[1] Bureau of Employment Security, Unemployment Insurance Program Letter 797, February 1965, and Change 1, March, 1966.

[2] Manpower Development and Training Act, as Amended, Public Law 88-214, 1965, Section 104.

c. Storage of household goods for up to 30 days, in appropriate cases; and

d. Reasonable subsistence costs payable in a lump sum to the worker and his family, if any, during the period of relocation, including separate maintenance costs of the worker during the time intervening between his move and his family's move, if the family moves more than 1 (sic) week subsequent to the worker's move.[3]

Payment for the transportation of the worker and his family covers the actual cost of public transportation or a mileage allowance for travel in the worker's own automobile. The costs of transportation and storage of household goods are reimbursed on the basis of actual costs, subject to a weight limitation of 7,000 pounds for a worker and his family or 2,500 pounds for a worker without a family when goods are moved or stored by a commercial mover. The cost of moves by other methods must not exceed this maximum.

The lump sum subsistence allowance for a worker was designed,"...to defray the cost of living expenses for himself and his family, if any, while traveling to a new locality, and for incidental expenses pending receipt of his first pay check."[4] Following the precedent established in the guidelines for relocation assistance under the Trade Expansion Act of 1962, a worker without a family is allowed an amount equal to the average weekly manufacturing wage, which in 1965 was $103 and which increased to $115 in 1968. A worker with a family is allowed an equal amount for his spouse and 50 per cent of the amount for each additional family member up to four. Thus the maximum lump sum allowance would be $460 under 1968 standards. Workers preceding their families to the area of destination are further entitled to a separate maintenance allowance equal to one-half the basic amount per week of separation, up to four weeks.

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[3] Procedures for the Payment of Relocation Assistance Allowances, Page 5.

[4] Ibid., Page 15.

The legislation provides that labor mobility demonstration projects may provide financial assistance to meet the relocation expenses of unemployed workers in the form of either grants or loans. In its original form, the law restricted the payment of allowances in the following way: "Where such assistance is provided in the form of grants, such grants may not exceed 50 per cent of the expenses incurred reasonably necessary to the transportation of the person who is relocating, and his family, and their household effects."[5] The remaining 50 per cent of expenses could be met through non-interest bearing loans, repayable within three years.

The 1965 amendment changed the methods for paying allowances in several ways. First, the 50 per cent limitation on grants was dropped. The experience of the first 15 projects in 1965 had shown that many workers required financial assistance to meet all their moving expenses, and therefore loans were required to supplement the grants. These loans imposed additional financial burdens on workers at a crucial time, and they proved difficult and expensive to collect.[6] Second, loans were made repayable in not less than ten years, and they were made interest-bearing.

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[5] Manpower Development and Training Act, as Amended, Public Law 87-415, 1963, Section 208.

Third, the 1965 amendment did not delimit allowable expense items. In respect of loans, it merely required regulations to insure that,"...the amount of the loan, together with other funds available, is adequate to assure achievement of the purposes for which the loan is made..."[7] New regulations defined four classes of loans:

(1) To assist the worker to move himself, his family, and his household goods, and to meet various related expenses as allowed for by permissible lump-sum allowances specified by the procedures.

(2) To meet special financial problems that might jeopardize his "settling in" at the new location.

(3) To enable him to purchase means of transportation such as an automobile or truck.

(4) To assist him to purchase a home.[8]

Loans other than class (1) were to be used only in individual approved projects, but they permitted approved projects more flexibility in meeting the total expenses of relocation workers.

All allowances are payable in advance on the basis of estimated costs, but in no case earlier than ten days prior to the date of travel or transportation of goods. A multitude of problems arose in the administration of these allowances in almost all projects, and these will be discussed at appropriate points in Chapter III. It is necessary, however, to insert here a few observations on the equity of the eligibility criteria and the allowance structure.

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[6] One project which relocated 362 workers estimated that over 500 man hours were expended in investigating 130 cases.

[7] Manpower Development and Training Act of 1962, as Amended, Public Law 89-15, 1965.

[8] Unemployment Insurance Program Letter No. 881, September 14, 1966.

The definition of involuntary unemployment, if applied nationally, would make eligible for relocation allowances a large proportion of workers unemployed during a recession or a general economic slowdown, and many workers unemployed as a result of a mass layoff or a factory shut down. However, significant groups are excluded. Underemployed workers who have taken permanent jobs at reduced skill levels, reduced earnings, and/or reduced hours of work for economic reasons are not eligible. While a special provision is made for members of farm families who, on the basis of an income of less than $1200, might be considered poor, no provision was made to permit relocation assistance to the employed urban poor. In fact, some consideration was given to including in the definition of involuntarily unemployed, nonfarm workers, who, during the preceding twelve months, had earned less than $1800. However, this was omitted in the final formulation of the guidelines.

The structure of allowance payments favors middle-income workers with small families. No incremental allowance is provided to families with more than six persons. The maximum weight limitation penalizes workers with large families and/or workers who were sufficiently frugal or fortunate enough to accumulate a large quantity of household goods. The transportation allowance is provided workers who have household goods, but it discriminates against the very poor whose household goods are limited or in a sufficiently bad condition as to make it more rational to discard them than to move them. For workers who must replace or supplement household goods from the lump sum allowance, the allowances cover a smaller proportion of the costs of relocating.

Finally, the procedures for the payment of allowances give no direct consideration to past or future income and earnings in computing the size of allowances or the form of payment. Some consideration was given to a means test and to limiting allowances to persons whose projected earnings would be less than $7200 per year in the relocation area.[9] However, a means or earnings level test introduces considerations unrelated to the concept and causes of involuntary unemployment, and, like the definition of involuntary unemployment itself, tends to penalize the provident person who seeks re-employment quickly, before his assets are exhausted.

These questions are raised here because the eligibility criteria and the structure of relocation assistance allowances have a material effect upon the value of assistance to different groups. These questions concerned many of the agencies conducting labor mobility projects. Their recommendations will be considered in Chapter III, and a general recommendation will be presented in the concluding chapter of this report.

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[9] A means test is used in the relocation program in Germany. The original Canadian programs also employed a means test, but this was dropped with the implementation of a national program in 1965. Canada now provides loans to the short-term unemployed and grants to the long-term unemployed. See Programs for Relocation Workers Used by Governments of Selected Countries, Policy Paper No. 8, U.S. Congress Joint Economic Committee, 1966.

C. Program Structure and the Classification of Projects

The structure of the program of labor mobility demonstration projects was forged in a series of debates during calendar year 1964 within the newly formed Manpower Administration between the Bureau of Employment Security (BES) and the Office of Manpower, Automation and Training (OMAT).[10] The Office of Manpower, Automation and Training had challenged established Department of Labor agencies for control of the new manpower programs arising from the Manpower Development and Training Act and Economic Opportunity Act of 1964. The debate centered on two principal issues--who should have control over the funding and the design of projects, and what type of agency should operate projects.

On the one hand, state agencies in the United States Employment Service, under the auspices of the Bureau of Employment Security, as the principal United States manpower agencies, were a logical choice to conduct this new manpower program. There were obvious advantages to conducting projects in conjunction with an established network of some 2,000 local Employment Service offices staffed by experienced interviewers, vocational counselors and placement experts sharing labor market information on available jobs and available workers through the clearance system. The Office of Manpower, Automation and Training challenged the ability and the desire of the Employment Service to conduct relocation projects on an experimental basis. It was argued that independent contractors would be more flexible and innovative in approaching the problems of unemployed workers, particularly the disadvantaged.

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[10] For a discussion of other aspects of the debate between these agencies, see Sar A. Levitan and Garth L. Mangum, Federal Training and Work Programs in the Sixties, (Ann Arbor, Michigan: Institute of Labor and Industrial Relations, 1969), pp. 360-61. OMAT was later renamed the Office of Manpower Policy, Evaluation and Research, which in 1969 was renamed the Office of Policy, Evaluation and Research.

This debate, resolved through a decision by the Manpower Administrator, resulted in a compromise agreement whereby both State Employment Services and contractor agencies would conduct experimental projects under the administrative responsibility of the Bureau of Employment Security and the Office of Manpower, Automation and Training respectively, with both types of agencies testing innovations in methods, organizational structures and different types of target populations. All project proposals were to be reviewed by both the Bureau of Employment Security and the Office of Manpower, Automation and Training. The latter, through the Office of Special Manpower Programs, was made responsible for funding all experimental and demonstration projects. The Unemployment Insurance Service was made responsible for the payment of relocation assistance allowances through State Employment Security agencies for both Employment Service and contractor agencies.

State Employment Services that conducted relocation assistance projects were expected to organize and conduct these projects in light of the history of the Employment Service, their experience in providing counseling and placement services, and the constraints of existing institutional structures, procedures and practices. Contractor agencies, on the other hand, included universities, anti-poverty agencies, a private vocational rehabilitation agency and a welfare department. Although the contractors had some experience in the field of manpower and job placement and each operated under the constraints of its own heritage, these agencies were expected to develop novel and innovative approaches to the problem of relocation. In the analysis of project experience, the type of agency conducting a project will be a primary classification variable, and an effort will be made to evaluate the extent to which each type of agency developed innovative methods and the suitability of the different methods in relation to the major project populations.

In classifying the projects, it was also necessary to clearly distinguish between an agency, defined as an organization conducting a relocation project, and a project, defined as the activities of one agency focussed upon one project population during one funding and reporting period, with the important proviso that the agency conducting the project reported sufficient information to permit separate analysis of activities in relation to different project populations.

Matters were further complicated by the fact that the funding and reporting periods varied in length. Projects funded in March and April 1965 were actually in operation and relocating workers for only three to six months. The "1966-67" projects were funded between April and June of 1966 and operated 12 to 15 months. Projects funded in June and July 1967 were intended to operate for 12 months, but most conducted relocations for at least 15 months. The "1968-69" projects are all continuations of earlier projects and had six to nine months experience at the time field work was completed for this study. To illustrate the importance of these differences, projects were further classified by funding period.

A total of 35 agencies, including 22 state employment services and 13 contractors, were funded to conduct labor mobility projects in 28 states. A summary of the number of agencies and the number of projects is presented in Table II-2 on the following page. Excluding three agencies which were funded but did not relocate any workers, these agencies had a total of 61 projects, 40 of them conducted by Employment Service agencies The number of agencies and the number of projects grew steadily until the 1968-69 lapse in legislative authority. Three agencies operated projects in each of the four funding periods, nine in three funding periods, three in two funding periods, and the remaining ten in only one funding period.

Table II-2. Agencies operating labor mobility demonstration projects and number of distinct projects by type of agency, funding year, and project population.

	All Agencies		State Employment Services		Contractors	
	Agencies	Projects	Agencies	Projects	Agencies	Projects
Total	35[a]	61	22	40	13	21
Funding year: 1965-66	15	15	10	10	5	5
1966-67	19	21	11	13	8	8
1967-68	23	23	16	17	7	6
1968-69	6[b]	2	1	-	5	2
Project population: General unemployed:		39		30		9
North and West	12	16	9	13	3	3
South	5	11	3	5	2	6
Appalachia	4	12	5	12	-	-
Trained workers:		11		2		9
North and West	3	6	-	-	3	6
South	2	4	1	1	1	3
Appalachia	1	1	1	1	-	-
Mass layoff:		8		7		1
Professional and technical workers	3	5	3	5	-	-
Other occupations	3	3	2	2	1	1
Urban disadvantaged:	3	3	1	1	2	2

[a] The total number of agencies includes two State Employment Services and one contractor which were funded but did not conduct relocations.

[b] Adequate data were available for only two contractors operating 1968-69 projects to permit inclusion in this report.

Project designs focussed upon specific areas of high unemployment or low median incomes as "supply areas," or sources of unemployed workers, and upon areas of labor shortage as "demand areas" or areas of relocation. They also were designed to serve specific groups of unemployed workers, designated as "project populations." In the guidelines, three types of projects were defined, Type A, Type B, and Type C.

- In Type A projects, the population is a definable group, such as all workers included in a specific mass layoff, or all enrollees or graduates from a training course.
- In Type B projects, the population will be a predetermined portion of the labor force; e.g., the Employment Service active files.
- In Type C projects, the population consists of unemployed workers recruited on the basis of their interest in relocation.

These definitions relate primarily to methods of identifying workers eligible for relocation assistance allowances and to administrative procedures established for this purpose. The distinctions among project populations defined in these terms tended to disappear in practice, particularly between Type B and Type C populations.

Projects were selected and funded to test relocation for persons having different substantive employment problems. The three-fold classification cited above does not adequately reflect the diversity among the employment problems faced by workers in the different projects. For example, graduates of training courses and workers in a mass layoff are both included under Type A, but

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[11] Handbook for Labor Mobility Demonstration Projects, U. S. Department of Labor, Manpower Administration, April, 1967 (revised), Chapter II.

the employment problems of the two groups are quite different. To reflect the different effects of structural unemployment faced by workers in each project population, projects were classified into nine categories according to skill level and region of origin of the project population. The classification of projects is shown in the bottom part of Table II-2.

Project populations were classified in terms of their general skill level into four groups: (1) the general unemployed; (2) trained workers who had completed a skill training or re-training program; (3) skilled workers unemployed as result of mass layoffs, which were further divided into the categories of professional and technical workers and other workers; and (4) urban disadvantaged persons, who were generally unskilled. The general unemployed and trained workers were further classified by region of residence, i.e., North and West, South and Appalachia. With the project as the unit of observation, rather than relocated workers themselves, the classifications are rather crude and not exhaustive.

The broadest project population in this classification is the general unemployed, and classification by region of origin does not serve to create homogeneous groups of projects relocating workers with common employment problems. Projects in these categories relocated a broad cross-section of youth entering the labor market, older workers, training graduates, unskilled workers, skilled workers unemployed as a result of plant closings, and former rural farm workers. The major common characteristic of the general unemployed was that most originated in non-metropolitan areas. These areas included cities of up to 50,000 population, however, so that non-metropolitan does not mean that a majority had a farm, or even a rural nonfarm, background. The workers relocated by projects in each of the other four categories were from somewhat more homogeneous backgrounds, although the diversity among workers within all categories is considerable.

The majority of projects relocated the general unemployed, and 30 of the 39 projects classified in this category were conducted by state employment services. Six of the nine contractor projects in this category were conducted in the South. Contractors also conducted nine of the 11 projects relocating primarily trained workers, although as noted previously significant numbers of trained workers were relocated by projects serving the general unemployed. Workers unemployed primarily as a result of mass layoffs were relocated in eight projects, five of which relocated professional and technical workers, and three projects relocated unemployed poor workers for metropolitan areas.

The number of projects tabulated in Table II-2 represents the numbers which will be used in the remainder of this report for computing such statistics as the average number of workers relocated in each project population. These numbers are an underestimate, however, because in 1967-68 alone two agencies served two distinct project populations at the same time, and two other agencies relocated workers from three groups. Although not reflected in the statistics, the qualitative information reported by the agencies on their experiences with different groups will be used in the analysis.

A total of 14,221 workers were relocated in the entire program, approximately 2000 of these without relocation assistance allowances. The number of relocations and the percent of the total relocated by each type of agency in each funding year and in each project population are shown in Table II-3. More than 70 percent of all workers were relocated by State Employment Service agencies, and two-thirds of these were relocated during the 1967-68 funding period. Contractor agencies relocated 30 percent of the workers.

Almost three-fourths of the workers relocated were classified as the general unemployed, including 78 percent of those relocated by State Employment Services and 58 percent relocated by contractors. These workers originated in supply areas almost evenly distributed among regions. However, State Employment Service projects operated primarily outside the South, while contractors relocating the general unemployed conducted projects primarily in the South. Only two Employment Service projects focussed exclusively on training graduates, while 42 percent of workers relocated by contractors were classified in this category.

Table II-3. Total relocations and percent, by type of agency, funding year, and project population.

	All Agencies		State Employment Services		Contractors	
	Number	Percent	Number	Percent	Number	Percent
Total	14,221	100.0	10,196	100.0	4,025	100.0
Funding year: 1965-66	1,361	9.6	730	7.2	31	15.7
1966-67	4,129	29.0	2,627	25.8	1,502	37.3
1967-68	8,288	58.3	6,839	67.1	1,449	36.0
1968-69	443	3.1	--	--	443	11.0
Project population: General unemployed:	10,236	72.0	7,923	77.7	2,313	57.6
North and West	3,294	23.2	3,127	30.7	167	4.1
South	2,975	20.9	829	8.1	2,146	53.3
Appalachia	3,967	27.9	3,967	38.9	--	--
Trained workers:	2,820	19.8	1,132	11.1	1,688	41.9
North and West	841	5.9	--	--	841	20.9
South	1,828	12.8	981	9.6	847	21.0
Appalachia	151	1.1	151	1.5	--	--
Mass layoff	1,113	7.8	1,111	10.9	2	--
Professional and technical workers	976	6.9	976	9.6	--	--
Other occupations	137	1.0	135	1.3	2	--
Urban disadvantaged	52	0.4	30	0.3	22	0.5

As noted previously, however, a significant number of training graduates were relocated among the general unemployed. These workers will be a subject for discussion along with the characteristics of relocated workers and the results of relocation for special groups in Chapter IV.

D. Summary

This overview of the program of labor mobility demonstration projects was intended to provide the background for the review and analysis of project experience in Chapters III and IV. The hesitancy of the Congress in authorizing worker relocation led to a program distinctly limited in size and scope. The substantive and administrative problems of formulating program guidelines which reflected the legislative mandate delayed the initiation of the first projects. Yet, once underway, projects relocated workers in every region of the United States whose unemployment resulted from a wide variety of causes. It is from this diversity in experience, from the range of approaches to worker relocation, that the potential of relocation assistance can be assessed. Chapter III focusses upon the structural and functional components of projects, the administrative problems and the results of different project approaches.

Chapter III. Project Methods of Relocating Workers

A. Overview

Labor mobility demonstration projects performed five functions in the relocation of workers: identification and screening of members of the project population, selection of workers eligible for relocation assistance allowances, job development and placement, provision of financial assistance, and followup services. In this chapter will be reviewed the substantive role of each of these functions in relation to relocation, the methods and techniques used to accomplish each function, and the implications of different methods for the effectiveness of relocation. The chapter begins with a discussion of organizational patterns, because the organizational structures imposed certain limits upon the scope and methods of projects.

B. Project Organization

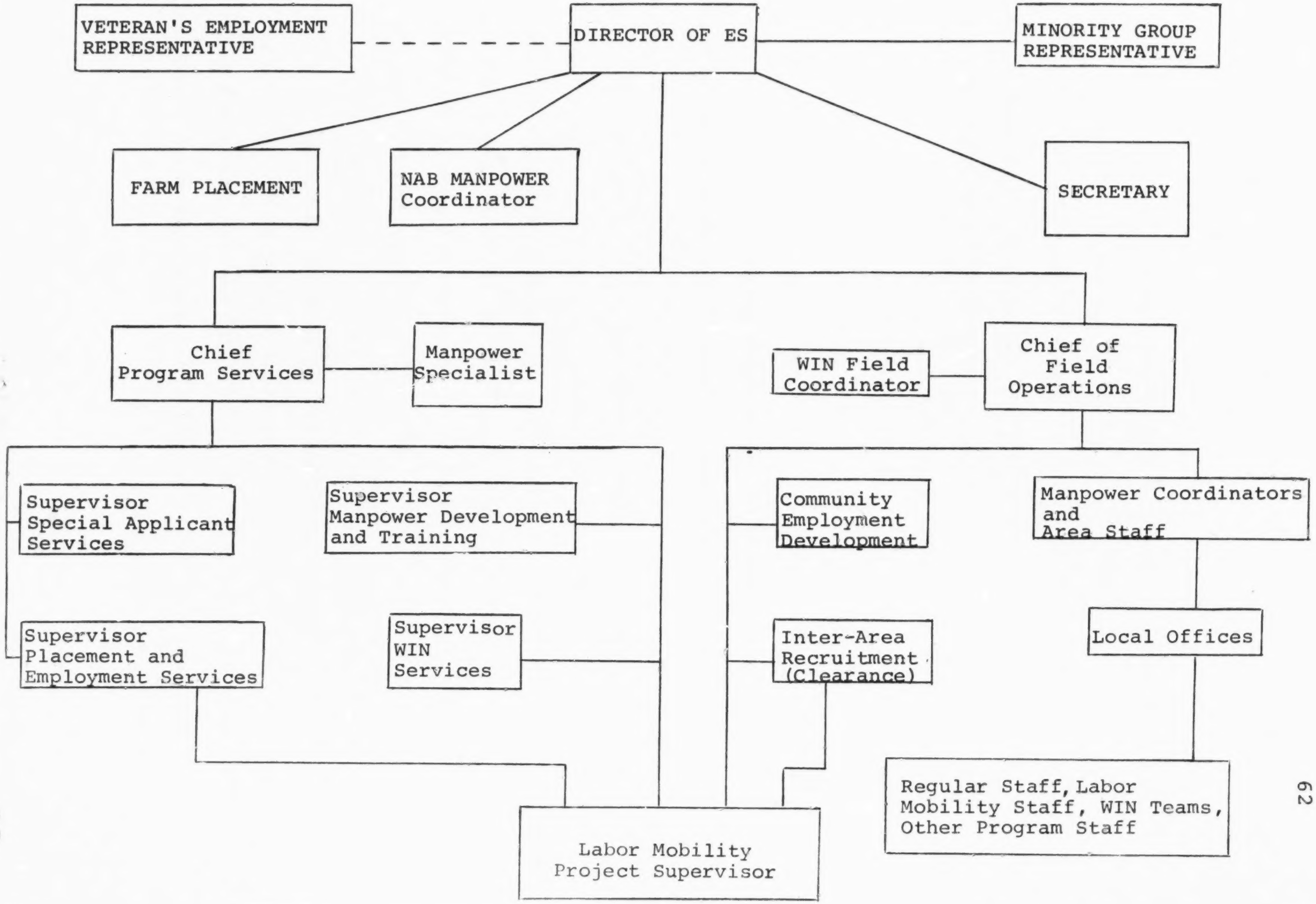
Project organization and structure influenced the efficiency with which agencies conducted relocation projects, and in some cases the effectiveness of projects themselves. State Employment Service agencies began projects within the constraints of existing agency structures and organizational philosophies, while contractor agencies for the most part created structures to meet perceived needs. Consequently, although contractor organizations may have been better adapted to the requirements of worker relocation, the organizational problems were felt more acutely and were discussed more completely by Employment Service agencies.

A general organizational chart of a State Employment Service is depicted on the following page, showing four different ways existing structures were adapted to accomodate labor mobility projects. Field staff members were assigned either to an area coordinating unit with supervisory responsibilities in several local offices, or to each local office.

In most states only the Field Operations Unit (or its equivalent) is charged with direct line responsibility for the activities of local offices, and the local office manager is directly responsible for the activities of all staff in his office, regardless of program or functional assignments. The directors of the various state-level program and function units provide staff support and technical assistance to the local offices, but only through the field operations unit. Depending upon the exact location of the mobility project in the organizational structure, the project director might have to go through as many as six steps to communicate with his field staff.

The results of such a structure, for all programs, are a lengthy, slow communications channel, uncertain control over the program or project at the point of actual delivery of services to individuals, and lack of effective coordination among program

Figure III-1. Organizational structures used by Employment Service agencies conducting labor mobility demonstration projects.


VETERAN'S EMPLOYMENT REPRESENTATIVE
DIRECTOR OF ES
MINORITY GROUP REPRESENTATIVE
FARM PLACEMENT
NAB MANPOWER Coordinator
SECRETARY
Chief Program Services
Manpower Specialist
WIN Field Coordinator
Chief of Field Operations
Supervisor Special Applicant Services
Supervisor Manpower Development and Training
Community Employment Development
Manpower Coordinators and Area Staff
Supervisor Placement and Employment Services
Supervisor WIN Services
Inter-Area Recruitment (Clearance)
Local Offices
Regular Staff, Labor Mobility Staff, WIN Teams, Other Program Staff
Labor Mobility Project Supervisor

services. In some cases, labor mobility project directors in State Employment Service projects could not directly communicate with or correct the practices of local office staff, nor could they be certain that staff assigned to the mobility project was devoting adequate time to worker relocation. This was especially and inevitably true in offices where individual staff were assigned on a fractional time basis.

Most state agencies recognized the problems and made special provisions to permit the mobility project director to communicate directly with local office managers and in some cases with the interviewers or other staff members assigned to the project. Three states created completely separate labor mobility field organizations, giving the project director direct line authority over local office staff assigned to the project. This was at best an unwieldy compromise, because the traditional role of the local office manager was drastically altered; seasonal or other fluctuations in the work load of the mobility staff member often left him over-worked or idle, creating morale problems among both regular staff and mobility staff; and the coordination of relocation with other manpower services was made even more difficult. Perhaps the easiest compromise was made in those states which made worker relocation a part of the interarea clearance and placement unit, but for reasons discussed below this approach may have reduced the effectiveness of these projects in providing relocation services.

The relocation projects also taxed the staffing procedures of the State Employment Services. In most states existing civil service job descriptions were adequate to cover the duties performed, but two states created new job titles and descriptions for staff assigned to the projects. Staff members often were reluctant to accept project assignments, since they were known to be temporary, and it appears that the majority of positions in local offices were filled by newly-hired employees. Staff turnover rates were high because staff applied for more permanent positions as they became available. Although the mobility projects may have suffered from this turnover, project reports and field visit interviews show that the Employment Service agencies benefitted because jobs related to labor mobility projects were extremely complex and exposed staff members to virtually all phases of Employment Service activity. In this sense, mobility projects served as an intensive and extensive training program for old and new staff alike.

One State Employment Service avoided organizational problems in worker relocation. In Iowa, the labor mobility project was made a part of a larger project designed to experiment with the restructuring of the Employment Service in a 12 county area of southeastern Iowa. All administrative functions, program staffs, and records were centralized in one office in this area, leaving small staffs in the remaining four offices. The 12 county area served as a supply area for the mobility project. The project staff itself was mobile throughout the area, providing direct assistance to workers in the process of moving. Control and communication were maintained through a leased-line telephone system.

In contrast to State Employment Service agencies, contractor agencies had fewer obvious organizational difficulties, if only because they did not have to cope with rigidities in pre-existing structures designed for other purposes. One contractor in Mississippi did experiment with alternative patterns of staffing demand and supply areas. The project director established that four major areas of the state had both surpluses and shortages of workers within close proximity. He created "dual-function" staffs who, under the direction of an area coordinator, performed all supply and demand area functions for each relocated worker, from initial identification through followup. This pattern is suited primarily to a project relocating workers short distances, but the concepts would be useful in any program.

The key elements of effective organization demonstrated by the Iowa and Mississippi projects are (a) establishment of a central control unit for all records and administrative services, (b) regular, daily communication between the central unit and field units, (c) communication among field units to coordinate relocation and related services, and (d) mobility of field staffs. Although these statements may sound trivial, only three agencies, including the two cited, appear to have been able to achieve more than one of these goals. Project reports document the difficulties of obtaining approval for extensive use of telephones to communicate among local offices of State Employment Services. This reluctance to use telephone communication stems from several factors, among them the general absence of need to make calls to other offices in the course of normal operations. The impact of the need for rapid communication was so great that all project staffs agreed that mobility projects taught them how to use the telephone.

C. Recruitment, Screening and Selection

Recruitment, screening and selection are the process and methods by which involuntarily unemployed individuals without prospects for suitable local employment in a project population are identified and their eligibility[12] for relocation assistance allowances established. Although each of these three terms has a separate meaning, the organization and methods used by projects to determine which individual workers were initially eligible for relocation assistance allowances tended to combine the three into one group of procedures and methods constituting a unified process. The significance of this process in a relocation program is simply that unless unemployed workers without local employment prospects are identified as such, they will not be able to benefit from relocation assistance.

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[12] The precise term would be "initial eligibility" in the sense of being involuntarily unemployed with no local prospects for suitable employment. No worker is legally eligible for assistance allowance until he has obtained a bona fide job offer. However, "eligible" and "initially eligible" are used interchangeably, following the practice of most project reports.

Statistics on the number of workers reported as initially eligible for relocation assistance allowances through these methods are presented in Table III-1. A total of 38,793 workers were identified as initially eligible, an average of 636 per project, with 80 percent of these in State Employment Service projects. The total number of workers found initially eligible and the average per project grew steadily during the first three years of the program, reflecting primarily increased funding levels and longer average funding periods.

These data were originally compiled for comparison with the number of workers screened in each project to permit estimates of two important items. First, the proportion found eligible among screened workers in each project population would give a crude index upon which to base an estimate of the number and percent of all unemployed workers who might be eligible for relocation assistance in a national program using the same eligibility criteria. Second, the statistic would provide a measure of the precision of different identification, screening and selection methods. However, no uniform standards appear to have been used in counting screened workers, not all projects reported the number of workers screened, and, as evidenced in Table III-1, not all reported the number of workers found eligible.[13] Overall, the 39,000 workers found initially eligible represent about one-half the number of workers reported as screened.

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[13] Estimates derived from monthly progress reports proved unreliable because the monthly data are normally subject to significant revisions at the end of each project.

Table III-1. Workers found initially eligible for relocation assistance allowances, total and average per project, by type of agency, funding year, and project population.

		All Agencies		State Employment Services		Contractors	
		Total	Average Per Project	Total	Average Per Project	Total	Average Per Project
Total[a]		38,793	636	31,657	791	7,136	340
Funding year:	1965-66	4,725	315	4,069	407	656	131
	1966-67	10,995	524	9,107	701	1,888	236
	1967-68	22,189	965	18,481	1,087	3,708	618
	1968-69	884	442	-	-	884	442
Project population:							
General unemployed:		27,246	699	23,305	777	3,805	423
North and West		7,512	469	7,376	567	na	na
South		7,038	640	3,233	647	3,805	634
Appalachia		12,696	1,058	12,696	1,058	-	-
Trained workers:		4,942	449	1,886	943	3,056	340
North and West		1,878	313	-	-	1,878	313
South		2,781	695	1,603	1,603	1,178	393
Appalachia		283	283	283	283	-	-
Mass layoff:		5,788	723	5,786	1,157	2	2
Professional and technical workers		5,786	1,157	5,786	1,157	-	-
Other occupations		2	na	na	na	2	2
Urban disadvantaged		271	90	134	134	137	68

[a] Includes all reported as eligible. Non-reporting by three agencies is reflected in individual project population statistics.

Two dimensions of this identification process are important--coverage and precision. For effectiveness in reducing unemployment, the recruitment part of this process should cover completely the universe of workers defined as in the project population. The extent of completeness of coverage would be measured by the proportion of the population screened. For efficiency in program operation, the identification process should be precise, in the sense of identifying only those persons who are, in fact, in the project population and eligible for relocation assistance allowances. Precision would be measured by the proportion of screened workers found eligible.

The approaches to the identification, screening and selection process varied by project population and by individual project. Projects relocating workers from a plant closing or mass layoff, and projects relocating graduates of training programs were able to compile reasonably complete lists of the names of individuals in the project population. Lists of laidoff workers either were provided directly by the businesses involved, or were compiled from work applications and unemployment insurance claims filed with the Employment Security Department. Lists of persons enrolled in training programs were provided by the institutions or collected by direct visit to training classes prior to completion. Direct screening interviews were achieved in these projects through responses by individual workers to mail or telephone invitations to report for an interview. Some projects also screened persons enrolled in training courses at the training site.

Projects relocating the general unemployed found that screening from lists of unemployed workers was not an efficient approach to identifying eligible workers. Several Employment Service projects initially restricted screening to persons who had filed work applications prior to the beginning of the project. The experience of one agency which took this approach will be discussed below. Most Employment Service projects eventually settled upon screening hard-to-place individuals who made new work applications or re-applications to the local office.

Screening applicants who voluntarily present themselves for service, or accepting referrals from other agencies, required less effort on the part of the relocation agency. This approach, however, would not provide any coverage to unemployed persons not seeking work through an agency. One method of expanding coverage used by two large contractor agencies was an extensive outreach approach, including visiting community agencies to inform them of the availability of relocation assistance, addressing training classes and completing screening interviews at training sites, and canvassing neighborhoods on a door-to-door basis. Four State Employment Services gave extensive publicity to relocation assistance, especially in conjunction with visits by out-of-area employers recruiting workers. One of these agencies sponsored four television programs to jointly publicize the availability of jobs and of relocation assistance. In most areas, however, publicity was limited because relocation was a politically sensitive issue.

In general, one would expect that the greater the coverage, the lower the precision and vice versa, because efforts to expand coverage would almost inevitably increase the proportion of persons screened and found not to meet initial eligibility criteria. However, these expectations were not born out, as can be seen from the experience of one large State Employment Service project relocating the general unemployed.

The Iowa agency used three methods to identify eligible workers in the project population. In a search of the local office files of active work applications followed by mail and telephone contacts, only 20 percent of workers responded, and only half of those screened were found eligible. Of workers screened as they applied for jobs at local offices, about 60 percent were found eligible. This agency also sponsored the unique publicity effort mentioned earlier which advertised job opportunities through relocation by presenting out-of-area employers on a series of four television programs. Nearly all workers responding to this unique positive recruitment effort were found eligible and were relocated. Two-thirds of these had had no recent contact with the Employment Service. This method produced significantly expanded coverage of the general unemployed in the area and was very precise in identifying eligible workers. The experience of other projects seems to follow this pattern.

It appears, then, that a key requirement for a recruitment method to yield a high proportion of eligible workers is that it identify them at the time they become unemployed. As time passes between unemployment and contact, the proportion found eligible will decrease because workers will find jobs on their own. This finding raises substantive questions related to the overall desirability and effectiveness of relocation.

On the one hand, immediate identification of unemployed workers with no local prospects for employment permits initiation of efforts to relocate them and thus avert long periods of unemployment. It also prevents skilled workers from taking jobs below their skill level in which their earnings and productivity would be less than the maximum. On the other hand, the speed which makes this approach attractive also limits the extent and depth of the search for jobs in the supply area labor market and might lead to a relocation when a job could have been found locally.

The latter possibility led one Employment Service agency to strongly recommend that no worker be relocated unless he had been unemployed and actively seeking work for at least 30 days. Restrictions such as a waiting period may be needed to avoid unnecessary relocations, depending upon the ability of the agency conducting the program to quickly and accurately survey job opportunities in the local labor market. This topic will be discussed further in the next section.

D. Job Development and Placement

Job development and placement are that part of the relocation process in which an unemployed worker obtains a bona fide job offer and begins work in the demand area. It is the part of the process in which the actual relocation of the worker is effected.

Conceptually, effective job development and placement services for the individual worker reduce his real costs of relocating by performing the information-gathering and search functions for him.[14] Furthermore, the results of these services are a key factor in the economic effectiveness of worker relocation, because they should identify unfilled jobs for which unemployed workers are qualified and place the workers in those jobs in areas where there are no locally available qualified workers. Procedurally, job development consists of developing a list of jobs available outside the supply area for which the worker might be deemed qualified, and placement is the process of matching a worker with a job.

Employment Service agencies, whether conducting relocation projects or not, theoretically have access to information about jobs and job openings in all parts of their state and in the entire country, as well as in each local office area. Each local office compiles summary information on specific labor surpluses and shortages in specific occupations and industries. Specific jobs which cannot be filled by workers available in a local labor market are published in a monthly Inventory of Job Openings.

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[14] For a theoretical analysis of the economics of information gathering, see George Stigler, "Information in the Labor Market," Journal of Political Economy (70, No. 5), 1962, pp. 94-106.

This publication contains specific information about the jobs listed, including D.O.T. code, wage rates, experience requirements, special conditions, and other information intended to be useful in selecting out-of-area applicants for referral. Applicants who cannot find work locally may be referred to a specific job order in the Inventory of Job Openings, or job development may be attempted for them by distributing their applications to other areas.

Inter-area information distribution and placement is normally achieved and controlled through the Interarea Clearance System. Theoretically, this system links together all Employment Service offices into a national network through which information about unfilled jobs and unemployed workers can be exchanged and through which workers can be matched with jobs in other areas. The geographic distribution of information is controlled by decision points at three levels -- the local office, the state office, and the regional office -- to direct information to areas where surplus workers may exist and to prevent local shortages or surpluses of labor from being exacerbated. If the clearance system effectively performed these functions, it would be an ideal system for developing jobs for unemployed workers and channeling the movement of relocation workers in rational directions to reduce unemployment and fill labor shortages.

However, in the words of an Employment Service Task Force Report, "...this procedure is cumbersome and ineffective."[15]

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[15] Employment Service Review, February, 1966, p. 23

Unfilled job orders may be listed with the state clearance office at the initiative of the local office manager, but there is no requirement to do so. The compilation and distribution of the state Inventory of Job Openings is a slow process, so that orders listed may be filled or closed before workers are referred to them. Published information about jobs and information about applicants on standard clearance application forms are limited, so that supplementary communication between the order-holding office and the applicant-holding office is usually required even before a referral can be made. Although formal Employment Service restrictions against direct communication between local offices have been removed within most states and eased between states, tradition limits the number of direct telephone contacts which are almost essential to the interarea placement process.

The Employment Service Task Force recommended the establishment of coordinated multimarket clearance centers listing all job openings unfilled more than 15 days in shortage occupations and the use of modern information technology to transmit information on openings and applicants among areas. The Nixon Administration has proposed a National Computerized Job Bank which goes beyond this in recommending the establishment of linked regional computerized files of all job vacancies and job seekers. The flow of complete and accurate information among areas is essential to the conduct of a rational relocation assistance program, and these measures would remove major barriers to the flow of information among areas.

The clearance system functioned so poorly that all Employment Service agencies devised means to bypass it. Projects having supply and demand areas within the state and staffs in each had few problems. Projects that had no staff in intrastate demand areas or had no intrastate demand areas, resorted to direct solicitation of job orders from out-of-area employers, mass distribution of resumes and profiles of unemployed workers, culling of newspaper and trade journal want ads, solicitation of positive recruitment trips, or open orders with a few large employers to place workers.

Virtually the only case in which the clearance system was utilized in job development and placement was through positive recruiting trips by out-of-area employers. Under standard positive recruitment procedures, a company needing to hire workers from outside the local labor market applies to the local Employment Service office for certification of the lack of workers in specific occupations and for clearance to recruit workers in another area. This clearance procedure is supposed to follow the same principles as individual interarea clearance. The Employment Service in the supply area publicizes the trip, pre-screens workers, and schedules individual workers for interviews. In connection with relocation projects, the state agencies also screened workers to determine initial eligibility for relocation assistance. At least ten Employment Service projects made extensive use of positive recruitment.

Although positive recruitment was found by nearly all projects using it to be an efficient method for placing and relocating large numbers of workers with very little staff effort, most projects which used positive recruitment encountered difficulties which indicate that it is not an effective method for achieving permanent relocations. A major problem was that employer representatives did not always provide a complete description of the job, wages, hours, and working conditions, and they provided even less information on housing, living conditions, transportation, schools and other relevant features of the community. Workers were normally required to make an on-the-spot decision to accept or reject a job offer. Positive recruitment was also conducted in some cases in violation of the clearance certification, when an employer representative recruited for jobs in occupations other than those cleared by the demand area local office, or in the absence of one, when projects solicited positive recruitment trips outside the clearance system. Even use of the clearance system itself did not insure that positive recruitment would not produce uneconomic results, as evidenced by a case in which one facility of a company was cleared to recruit for jobs some 800 miles distant from the supply area, while another facility of the same company in the same state as the supply area was actively recruiting in the same occupations.

By comparison, the description of contractor methods for job development and placement is rather brief. Contractor agencies were theoretically at a disadvantage in the job development and placement process when compared with Employment Service agencies because even those contractor agencies which had previous experience in manpower programs had only limited sources of information about available jobs in other areas. However, in practice the disadvantage was probably not important. Contractors located job openings by reviewing want ads and by direct solicitation of job offers from employers. Most contractors established continuing personal relationships with a relatively few employers in each demand area and placed most of their workers with those employers. Only one contractor, which relocated graduates of MDTA training to two states, received significant placement assistance from a State Employment Service.

Perhaps the most important lesson learned by agencies conducting relocation projects, Employment Services and contractors alike, was that successfully placing workers in jobs in other areas requires more than simply matching workers with jobs. It also requires matching the worker, and his spouse if any, with a demand area community. Projects learned through bad experiences the importance of ascertaining the attitude of the spouse toward relocation in general and toward moving to specific areas. For the workers themselves, projects found that the most successful matches were achieved when the worker had an opportunity for a face-to-face interview in the demand area with an employer.

Nine state Employment Service agencies and five contractor agencies established pre-employment interview expense funds to permit eligible workers to travel to the demand area for interviews with prospective employers to survey housing, schools and other facilities in the demand area prior to accepting a job offer. Virtually all agencies operating projects in the 1967-68 period recognized the need for such funds, although a few agencies were prohibited by state laws or administrative regulations from paying these expenses. One contractor agency directly provided transportation and lodging to relocating workers, and one State agency arranged transportation for a large proportion of workers relocating within the state.

The amount of pre-employment interview grants averaged between $30 and $50 per relocated worker for projects relocating workers within states, and was as high as $80 dollars for one project which relocated workers out of the state. Since these funds were paid before a bona fide job offer was received, some workers who received interview expense grants did not receive job offers or did not relocate for other reasons, and some were relocated only after two or more such interview trips. Balanced against this was the fact that some workers who received job offers during an interview trip did not apply for or receive any additional financial assistance.

Some of the major problems related to placement through positive recruitment arose from the lack of an opportunity to view first hand the work place and the demand area community prior to accepting a job offer. It is clear from the recommendations of all agencies that pre-employment interview funds are valuable in achieving an effective placement and matching the worker's skills and desires with the requirements of jobs and the community in which the job exists. The cost of grants for this purpose is small relative to other project costs, and the potential benefits are large.

In summary, a variety of approaches was developed to job development and placement. The major stimulus behind these approaches was the lack of an effective mechanism for exchanging relevant and accurate information on jobs and openings between areas on a timely basis. The inability of the clearance system to function with sufficient speed and accuracy to serve as the primary mechanism of job development and placement probably limited the effectiveness of those relocation projects, which, due to lack of staff in intrastate demand areas or lack of intrastate demand for workers in the project target populations, were forced to by-pass the system and resort to direct solicitation of job orders.

One consequence was that workers did not have access to information about large numbers of jobs and therefore may not have been placed in one of the most suitable available jobs. This same lack of information may have permitted significant numbers of relocations when suitable jobs were available in or near the supply area, and did permit relocations to areas having local surpluses of labor. In short, although unemployed workers were relocated, the methods and information sources used for job development and placement do not guarantee that the moves were economically rational.

One index of the effectiveness of different job development and placement efforts is the proportion of initially eligible workers who were placed in jobs and relocated. The expectation was that this index would be highest for projects relocating skilled blue collar workers and professional and technical workers, and lowest among the general unemployed projects which relocated semi-skilled or unskilled workers because the former workers would be in greater demand. Overall, 37 percent of workers reported as initially eligible were relocated, but the gross data compiled by project population type showed no pattern. Because the data reflect non-reporting and by different methods of job development, data on the proportion of eligible workers who were relocated in each skill level were examined for selected projects.

The findings from individual projects showed a pattern the reverse of that expected. In the selected projects examined, less than one-fourth of eligible professional and technical workers were relocated, and one agency which focussed exclusively on this group relocated less than 20 percent of eligible workers. The proportions were lowest in projects relocating skilled workers from mass layoffs, partly because these projects began operation after several months had passed, but the pattern was present in almost all projects. Projects that relocated MDTA training graduates usually relocated a smaller proportion of eligible workers who were trained than of those who were not trained. In general, a higher proportion of low skill workers was relocated than of higher skill workers within each individual project.

This finding was surprising, although it should not have been. Professional and technical workers and skilled workers are in greater demand than unskilled workers, have more employment opportunities in both the local area and other areas, and may be expected to have more experience in job-seeking. Thus, despite the fact that skilled workers were reported by projects to have had difficulty finding new jobs after a layoff or to have experienced considerable financial hardships in relocating to a new job, general analysis and the analysis of individual project data strongly suggest that such workers are less in need of relocation assistance than unskilled workers.

The majority of relocations was within states. Among all workers relocated, 57 percent relocated to a demand area within the same state as the supply area, 31 percent relocated to other states, and 12 percent were not reported. Of the 61 projects, 14 Employment Service projects and four contractor projects relocated more than half to other states. The workers who relocated interstate fall into two principal categories--those who originated in depressed non-metropolitan areas and those with highly specialized skills.

There is a strong correlation between the number of interstate moves and the job development and placement methods used by projects. It appears that the majority of interstate moves occurred in projects which either used positive recruitment as the principal job development and placement method or permitted workers to find their own jobs and apply for relocation assistance. The deficiencies of positive recruitment, whether through the clearance system or not, have already been discussed. The granting of relocation assistance to workers who found their own jobs was justified by one project in the following terms: "...if it is known that assistance is available, the worker will expand his area of search." Another agency gave a more detailed rationale in its final report:

> ...the individuals could locate jobs that were not available to the Employment Service. Friends and relatives in other areas would often aid these people, and in general, they were more satisfied with their work, than when the job was developed for them. Also, from having worked in a particular region previously, they had a better knowledge of the different kinds of employment that were available, and of the social and economic enviroments to which they would be going.

Most projects, however, were reluctant to pay allowances to individuals finding their own jobs, for three reasons. First, it was difficult to verify the validity of a job offer, and some cases were discovered by projects in which a friend or relative was the purported employer. Second, it was difficult to ascertain the demand for workers in the intended area of destination. Third, it was difficult to determine whether a worker was preparing to move or whether he had already moved and was attempting to obtain allowances ex post facto. Based on these factors, payment of relocation assistance allowances to workers who find their own jobs cannot be recommended, because a worker relocation program should, by definition, influence the pattern of movement and not merely finance migration which probably would have taken place anyway.

E. Supportive Services

One of the most obvious, yet important findings of labor mobility projects, was that the process of relocating workers to new areas for employment is a more complex task than making local placements and requires non-financial services in support of the relocating worker and his family. The supportive services are a crucial part of the process of matching a worker with a community and assisting him in the relocation and settling-in process. Virtually every project population required supportive services, and agency experience differed primarily in relation to the capacity to deliver these services.

Vocational interviewing and counseling were required for most low skill groups to ascertain their skills and to develop realistic vocational expectations prior to relocation. Although Employment Service agencies have long experience in this field, both these agencies and contractors found it difficult to provide effective vocational counseling in relation to jobs outside the local labor market. Intensive personal interviews with the worker and his spouse, if any, were required to ascertain any barriers to relocation such as health problems in the family, debts, or other problems and to insure that the spouse of the worker was willing to move.

It was desirable to provide information on the community in the demand area and detailed instructions on how to get there and where to report on arrival. Perhaps the most effective method of insuring the worker received adequate information was to provide funds for a pre-employment interview trip, meet him when he arrived, and to provide a first-hand guided tour of the demand area. Some project agencies, and even some employers, were willing and able to do this, and some were able to provide maps and general descriptions of the area. It appears, however, that a majority of workers relocated in most projects did not receive significant assistance in learning about the new community because projects did not have adequate demand area staffs.

A major problem in all projects was that of finding housing of reasonable quality at reasonable prices in the demand area. This was the number one problem for all projects, and it was overcome only by extensive searches through newspapers, private listings, and extensive travel throughout a demand area, either by the relocating worker or the project staff. The problem was acute for low-income persons, for whom public housing was not available in most areas either because of residency requirements or long waiting lists.

Finally, relocated workers were in need of a broad range of social services, including schools for children, health care, legal services, advice on budgeting and finances, information on the location and use of public transportation, and many other items. Because workers often moved from rural or small town areas to metropolitan areas, frequently they were unaware of the existence of such services, let alone where or how to obtain them.

The capacity of agencies to deliver these important supportive services varied widely. Contractors were best able to provide the services, not because of any inherent technical expertise, but because they had freedom to structure their organization and operation to provide the direct, personal assistance. The contractor who created dual-function teams made them responsible for the entire relocation process from initial identification through the two month followup. These teams were able to maintain close contact with relocated workers and provide individualized services of all types.

The most comprehensive approach to the provision of supportive services was developed by a contractor agency relocating unskilled workers without experience in the industrial labor market from rural areas of North Carolina to major industrial centers. This agency assembled staffs of professional counselors and social workers to provide intensive supportive services from the time of initial identification in the supply area through a three-month followup period in the demand area.

A unique feature of this approach was the establishment of boarding house receiving centers in the principal demand area cities. These centers provided temporary accomodations to relocating workers while they were finding permanent housing. They also permitted direct daily contact between the project staff and the workers in the first critical days of adjustment in the demand area, during which time workers received intensive individual assistance in finding jobs, locating housing, and learning how to function in an urban environment.

Employment Service agencies were hampered in several ways in attempts to provide supportive services. One important limitation was the absence of a staff or cooperating agency in the area of destination. Local offices not provided staff to perform these services felt no obligation to do so, even for workers relocating intrastate. Another was the fact that Employment Service staffs were generally tied to a single office location and were unable, for example, to make home visits or followup individuals who did not request services.

Several efforts were made to overcome these problems. One approach was an attempt to link all 12 State Employment Services funded for 1967-68 projects east of the Mississippi River into one Interregional Project to improve both job development and supportive services. This effort bore some fruit when workers were relocated into demand areas staffed by agencies having projects, but four of these states were almost exclusively supply areas of unemployed workers. Project reports and interviews with project officials indicate that this effort at linkage among the states was hampered by the same types of problems which afflicted individual projects. The principal problem was that communications among the states were slow. The Interregional Project does not appear to have achieved its goal.

The most successful approach was to contract with the Travelers Aid Association of America for supportive services in the demand and supply areas. Initiated by two agencies operating projects during the 1966-67 period, a contract was continued in 1967-68 Interregional Project as well as in one separate agency project in the West. In those areas across the country where there were Travelers Aid offices or Cooperating Representatives, the relationship was very productive and the level of supportive services was more than adequate. However, there were also many problems, similar to those arising from relations between Employment Service agencies themselves. Only four states had the services of Travelers Aid affiliates available in both demand and supply areas. Large work loads arising from positive recruitment over-taxed the staff resources. In some cases there were differences of opinion over the advisability of relocating workers or the type of supportive services.

The only other significant participation of other agencies was cooperation between State Employment Services and public welfare departments. One state reported excellent cooperation in making pre-move preparations for relocating welfare recipients.

Another state was able to arrange continuing partial support for welfare recipients who moved within the state. On the whole, however, there was little contact or cooperation between relocation projects and welfare departments.

In general, the cooperation between agencies operating relocation projects and other public agencies can best be described as non-productive. Non-project agencies lacked adequate staff to devote special efforts to relocating workers in supply or demand areas. Residency requirements or waiting lists limited the availability of service in the demand areas. And some agencies maintained an antipathy toward the goals and purposes of the mobility projects. The inability of agencies to cooperate and coordinate resources to solve the problems of relocating workers applies equally to a majority of State and Local Employment Services not directly involved in a relocation project.

F. Relocation Assistance Allowances

The purpose of relocation assistance allowances was to cover expenses incurred by workers in the course of relocation. The size and composition of allowances in all projects were determined primarily by the formula discussed in the previous chapter. Since relocation assistance allowances were based on the formula relating size of allowance to size of family, distance moved, and weight of household goods, the size of the relocation allowance can not be interpreted independently from the characteristics of relocated workers and the distance traveled to the new job. In this section, will be discussed problems and procedures for paying allowances and some questions relating to the adequacy of allowances.

The original legislation stated that no more than half the relocation expenses of a worker could be paid in the form of a grant, with the remainder to be paid in the form of a loan. The experience of the 1965-66 projects indicated that this limitation should be dropped because loan repayment imposed added financial burdens upon relocating workers at a crucial time. In addition, Employment Security agencies found it difficult and time-consuming to collect loans from relocated workers. Although data are not available on the proportion of loaned funds that was repaid and the administrative resources required to collect these loans, one agency asserted that the expense of collecting loans may exceed the value of the loans themselves. Due to the special nature of the labor mobility projects, no legal steps could be taken to collect loans, either through court settlements or through the attachment of unemployment insurance payments.

These factors led to a revision of the law in 1965 to permit relocation assistance allowances to be paid in full in the form of grants. Loans have been made since that time to cover down payments on the purchase of a house; for the purchase of a vehicle, tools or clothing needed for a job; and for other special purposes. These loans, however, have been few in number.

The administration of relocation assistance allowances was complicated by the four forms required to certify eligibility for relocation assistance allowances and to pay the allowances. The first of these is a Suitable Employment Certifications on which it is certified that a worker may not, "... be expected to secure full-time suitable employment within commuting distance of his regular place of residence," and that he,"... has obtained suitable full-time employment, or a bona fide offer of suitable full-time employment," in another area. An employer statement verifying the offer is attached to this form. The second form is a Request for and Determination of Relocation Assistance Allowances, on which the prospective relocatee certifies that he wishes to relocate, lists family members who wish to relocate, and certifies his last previous and prospective employment. The project agency also records its eligibility determination for receipt of allowances and mode of payment on the form.

The next form is a Request for Payment of Relocation Assistance Allowances on which is recorded the date and type of transportation to the new area for the worker and his family (if any), new address, transportation and/or storage plans for household goods. In addition, the worker certifies on this form that his employment status has not changed. The fourth form is a Statement of Estimated Cost of Relocation and Amount of Relocation Assistance Allowances to be Advanced. Advances based on this form may be made not more than ten days prior to the planned relocation. This form requires the worker to submit a final statement of his relocation expenses after the move, for the purpose of determing whether or not he has been overpaid or underpaid, but paradoxically, no form was designed for the final statement. Finally, if a worker needs a loan, there is a further Form ES-958 Application and Repayment Agreement.

The principal problem faced by all agencies in the administration of relocation assistance allowances was that of timing. Workers hired through clearance or positive recruitment usually were required to report for work the following Monday, and workers hired as a result of a direct pre-employment interview often were required to report for work the next day or even on the next shift. However, workers were eligible for payments only after receiving a bona fide job offer, and in no case earlier than ten days prior to the planned date of move.

By comparison, a certain amount of time, usually two working days, was required to prepare and review the documentation, and there was considerable variation in the length of time required to complete the final processing of allowance checks. Three of the agencies visited during field trips were able to write checks the same day papers were received, while one agency could get allowance checks processed only once each week. Contractor agencies appear to have experienced longer delays on the average because of the time required to transmit documentation to the State Employment Service and receive checks back from it.

As a result, many workers began work prior to receiving allowance payments. In such cases, payments were forwarded to the project demand area office or to a cooperating agency, if one existed. If not, payments were sent to the employer, or in a few cases directly to the relocated worker.

A problem which preoccupied agencies relocating low skill or poor workers, and which was of major concern to all agencies, was that of preventing misuse or unwise use of funds by the relocated worker. One obvious solution in the case of workers relocating before their families, was to pay only that portion of the allowance due the worker himself for his own relocation, giving separate maintenance payments directly to the family and paying the balance of the allowance when the family relocated.

Nearly all projects instituted some form of phased payment plan to assist workers in budgeting their funds and to prevent misuse of funds. The simplest method was to withhold a portion, ranging from ten percent to one-half the allowance, until workers started on the job and submitted receipts for itemized relocation expenses.[16] This method did not, however, prevent unwise use of the funds once received.

Several projects paid transportation costs and a portion of the lump sum allowance at the time of the move, another portion after 30 days, and the final payment after 60 days.

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[16] The latter was a problem in connection with transportation of household goods by commercial movers, because invariably estimates differed from the actual, final charges. One agency solved this problem by having moving charges billed directly to it.

This provided a direct incentive to workers to remain in the demand area and on the same job during the official followup period and may have contributed to reported success rates. However, since most of a relocating worker's settling-in expenses would occur immediately after relocation, this approach may not have made funds available when they were needed. At least three State Employment Service agencies and two contractor agencies established methods of parcelling out the lump sum portion of the relocation assistance allowance on an "as needed" basis, along with budgeting advice and other supportive services.

In cases where funds were misused, agencies established "overpayments" in the amount of the funds misused. The primary reason for declaring a misuse of funds was the return of a worker to the supply area without good cause. "Good cause" appears to include misrepresentation of the job by the employer, illness among family members in the supply area, or recall to a previous job. Overpayments also were established when a worker received more funds than he was entitled to receive under the guidelines, but this was a minor problem.

The practices of agencies in establishing overpayments were not uniform. The states involved in the 1967-68 Interregional Project established recoupable overpayments for workers who did not remain out of the supply area for at least six months, although the extent to which the location of relocated workers after six months was checked appears to have varied considerably among areas. At least one other agency required repayment in full if the worker did not remain on the original job for two months, while another agency converted loans into grants in proportion to the time spent on the original job during the six months after relocation.

As in the case of loans, most agencies had no power to recoup overpayments. Little was gained by establishing them, because workers who obtained funds fraudulently could merely ignore requests for repayment. Conscientious workers who repaid funds may have been penalized simply because the project did not perform adequate job development and placement. Considering these factors, there appears to be little fiscal or other virtue in attempting to recover funds from workers who do not remain in a demand area or on a specific job for a minimum period of time.

Several agencies expressed a concern for "saving the taxpayer's money" by reducing allowances. Three agencies visited during the field trips treated the formula as setting maximum amounts allowable and paid somewhat less than the maximum allowances by the simple expedient of asking the relocating worker to estimate his expenses and then basing the allowance on that estimate. One agency established a schedule of fixed sum allowances designed in part to favor "do-it-yourself" moves by rental truck or trailer. This new schedule reduced the average allowance by one-half. A third agency altered the form of the allowance, giving a full grant to workers earning less than $7500 annually in their new jobs. half grant and half loan to workers earning between $7500 and $10,000, and a loan only to workers earning more. All of these approaches in effect imposed a means test, which had been rejected in the initial stages of program guideline formulation.

Allowances granted under the formula appear, on the average, to have been adequate, although average includes some who received more than required and others who received less.

Projects relocating poor persons and the long-term unemployed reported that allowances were in many cases inadequate for relocation. Three circumstances were cited which may be significant for a permanent program. First, no "rebuilding" grants were provided in lieu of moving furniture. Families without serviceable furniture could obtain it only through normal credit channels or through project loans. Both alternatives imposed repayment burdens at a crucial time.

Second, the allowance was often used to pay off bills in the supply area prior to relocation. Creditors were unwilling to accept assurances from individuals with poor work records and histories of nonpayment of bills that bills would be paid after they left the area. The greatest incidence of this problem arose in several Southern states where significant numbers of sharecroppers or tenant farmers who wanted to relocate were in debt to a landlord for working capital and perhaps subsistence loans as well. Projects having staffs in both supply and demand areas were able to make informal guarantees of debt repayment, but this approach was not adequate to prevent accumulated debts from posing a barrier to relocation. One solution for a broad national program might be for the federal government to guarantee payment, although it is difficult to know how many creditors might be willing to put up with the requisite red tape to make the approach feasible.

A final item which resulted in the lump sum allowances being inadequate was the expense of housing in metropolitan demand areas. One agency reported that it was not unusual for realtors to demand a sizable damage deposit on rented housing and to also require two month's rent in advance. With rents for most acceptable housing in that area exceeding $100 per month, the initial cost could range from $200 to $300, exclusive of utilities and other items, and might exceed the total lump sum allowance.

This problem could be avoided in a national program by providing a separate housing allowance scaled according to the cost of housing in the demand area. However, this may not be the best solution economically, because this allowance would tend to obscure the fact that other costs of living also were higher. Therefore, the program would attract workers to areas who could not earn a sufficient income to afford the higher prices. In any event, unplanned and uncontrolled migration, in combination with other factors, has caused congestion in urban areas which imposes additional costs on previous residents of the area in terms of housing costs, roads, schools and other public facilities. The desirability of a direct subsidy which would have the effect of adding to these problems is questionable.

G. Summary

The purpose of this chapter was to outline the structure and functions of the labor mobility projects, and to discuss the value of different approaches tested by different projects. The basic functions of each project were the identification, screening and selection of workers eligible for relocation assistance allowances; job development and placement for eligible individuals; assisting the physical relocation itself, and providing followup services after the move. Different methods and techniques were examined to assess their relative efficiencies, in terms of accomplishing the functions with a minimum of staff time, and their effectiveness, in terms of contributing to stable, permanent relocations of unemployed workers.

The basic issue in relation to methods of identification, selection and screening is the extent to which methods used cover the universe of eligible unemployed workers, and the specificity with which they focus only upon eligible unemployed workers. In those projects which publicized relocation, it appears that advertising the availability of jobs in other areas achieved both goals by attracting unemployed persons who were definitely willing to move to obtain employment. Screening from a list of names was useful for narrowly defined project populations, such as workers in a single mass layoff or graduates of training courses. However, the technique was of little value in projects relocating the general unemployed, because many individuals on lists such as the active file of an Employment Service office were not actively seeking work at the time of contact by the mobility projects. One danger in using publicity of relocation is that workers may be certified for eligibility for relocation assistance before an adequate search of local employment opportunities is completed.

Job development and placement is a key function in worker relocation, but no effective mechanism exists for exchanging adequate information about unemployed workers, jobs, and labor market conditions in potential demand areas. Positive recruitment by out-of-area employers was found to be an easy method of job development and placement, but workers offered jobs by representatives of recruiting employers did not always receive adequate information about the jobs or the areas of destination on which to accept or reject the offers. Successful relocation requires matching an unemployed worker not only with a job but also with a demand area community. Better approaches to job development and placement combined solicitation by project staff of job offers from demand area employers with pre-employment interview trips to the demand areas by job applicants.

An important function in labor mobility projects was that of providing non-vocational supportive services to relocating workers, both before and after relocation. The most important of these services was assistance in finding suitable housing. Workers without experience in urban areas need other services with information on alternate demand areas prior to relocation, counseling on personal and family problems before and after relocation, and assistance in managing financial matters.

The payment of relocation assistance allowances posed many administrative problems. Among the more difficult was that of timing the payment to meet the needs of workers and also to reduce the incidence of unwise or improper use of allowances. On the average, allowances appear to have been adequate to meet the relocation expenses of workers, although they may not have been adequate for workers with large families, for poor families and for workers moving to areas where housing was expensive.

A major problem in the organization of projects was that of coordinating the performance of these functions between demand and supply areas. Only projects which had staffs in both areas were able to provide adequate information and services to relocating workers. Cooperation and communication were limited between labor mobility projects and other agencies. The same was true between Employment Service agencies in different states and among offices which were not provided staff for a mobility project within a state.

The capacity of labor mobility projects to relocate workers and to direct mobility in the most economically rational directions was limited by the absence of an effective system for collecting and distributing information about job vacancies and unemployed workers, and by the absence of a coordinated structure for assisting workers in the relocation process. Part of these problems arose from the nature of the demonstration program, but many of them would also arise in a permanent program. A more comprehensive system for the delivery of manpower services would be needed to overcome problems of communication and coordination in a broader national relocation program.

Chapter IV. Measures of Project Outcomes

A. Overview

The focus of this chapter is upon assessing the outcomes of relocations conducted by the labor mobility demonstration projects in relation to the effectiveness of relocation as a manpower development tool. The general theoretical considerations relating to the measurement of the effectiveness of worker relocation were set forth in Chapter I. This chapter examines available information relating to three basic questions. First, did the labor mobility demonstration projects increase or redirect migration? Second, if there was an increase, was the increased migration temporary or permanent? Third, did worker relocation increase employment, incomes and earnings? These questions will be discussed for each of the project populations utilizing available evidence to indicate the potential of relocation for solving different types of employment problems.

B. Program Costs

The costs of the program of labor mobility demonstration projects can be divided into two categories, the costs of projects themselves, and the costs of related program components. The discussion of program costs has little meaning except against the background of the preceding two chapters. The discussion is inserted at this point because some of the cost data are useful in the discussion of project and program effectiveness.[1]

The data presented were compiled from individual project reports, from monthly expenditure reports, and in a few cases, from official records of the Office of Fiscal and Management Services. However, official records detailing the expenditures of each project do not appear to exist, because these records are maintained by agency, contract number and fiscal year. Records on obligations by fiscal year are confused by de-obligations, re-obligations and by the fact that few project funding periods coincided with fiscal years. In addition, unspent appropriations were carried forward over several fiscal years. In short, the data used in this chapter may be subject to revision at some date in the future.

The total expenditures on the labor mobility program shown in Table IV-1 are estimated at about $13 million, compared with total appropriations listed in Chapter II, of about $14.6 million. Of this total amount, $12.3 million was expended directly

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[1] It should be noted at this point that, in a full analysis of the resource costs of the program, any direct payments to relocated workers would be treated as a pure transfer of income from taxpayers as a whole to relocated workers. Except for administrative costs involved in making the transfers and potential differences among payers and receivers in incentive effects and savings ratios, transfer payments do not represent a real cost to society because they do not command resources which could be placed in alternative uses. All other expenditures, however, do represent real resource costs because they command the services of personnel and facilities which have alternative uses. Because this is not a full cost-effectiveness analysis, this point will not be pursued in the text. In the text, the terms costs and expenditures are used interchangeably.

Table IV-1. Program Costs[a]

Total Program Costs	$13,014,000
Project Expenditures	12,300,000
Relocation Assistance Allowances	4,168,000
Employment Services	3,211,000
Contractors	957,000
Administration	8,132,000
Employment Services	4,673,000
Contractors	3,459,000
Other Program Costs[b]	715,000
Interregional Coordination	82,000
Supportive Services	300,000
Research	333,000

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[a] Estimated from expenditures reported to the Manpower Administration as of June, 1969. See text for discussion of sources.

[b] Excludes federal administrative costs.

by individual projects, $4.2 million for relocation assistance allowances and $8.1 million for project administration. These figures represent an average project expenditure of $867 per relocated worker, of which $294 was for relocation assistance allowances and $573 for administration expenses.

Several factors other than those related to substantive problems of worker relocations influenced the average costs of projects. General factors will be discussed at this point, and some specific influences will be noted later in the chapter. The influence of these factors upon average costs per relocated worker and upon the average number of workers relocated per project was sufficiently strong to render averages subject to misinterpretation. Therefore, breakdowns by project classification are not presented.

One factor which did not appear to be related to project costs per relocated worker was the size of the project. One might hypothesize that the experience of project administrators in relocating large numbers of workers or experience over time would result in reduced average costs. However, available data indicate that, while the average number of workers relocated per project increased from 91 in 1965-66 to 360 in 1967-68, average expenditures per relocated worker in each year remained in a narrow range between $850 and $900. While, State Employment Service agencies relocated more workers at a higher average allowance cost than did contractors, the average administrative costs of Employment Service agencies were somewhat lower than for contractors.

Average relocation assistance allowance payments reflect almost exclusively, the characteristics of workers relocated and the distances of moves. As such, they are not interpretable separately from these factors. The estimated expenditure for relocation assistance allowances is believed to include all grants and loans made for actual relocations, whether or not they were repaid, but it excludes other financial assistance. Excluded payments consist primarily of subsistence allowances during training, which were considerable in connection with projects relocating trained workers, and pre-employment interview grants, which were paid from administrative funds because the guidelines prohibited formal allowance payments until a worker had received a firm job offer.

Estimated expenditures for administration in Table IV-1. consist primarily of expenditures for personnel, travel, and materials and supplies used in operating mobility projects. However, included in the estimates are pre-employment interview grants, and the costs of state Employment Security agencies in administering the payment of relocation allowances for contractor agencies. The latter were allocated to contractor projects when they could be estimated.

Average administrative costs reflect primarily the level of non-financial assistance provided workers during relocation, including screening, job development, placement, and supportive services, and secondly, the costs of services to workers who did not relocate. Finally, the costs are influenced by other factors such as the efficiency of administrative and operational procedures, the accuracy with which staff time was allocated among programs for accounting purposes, and the effects of the project funding process.

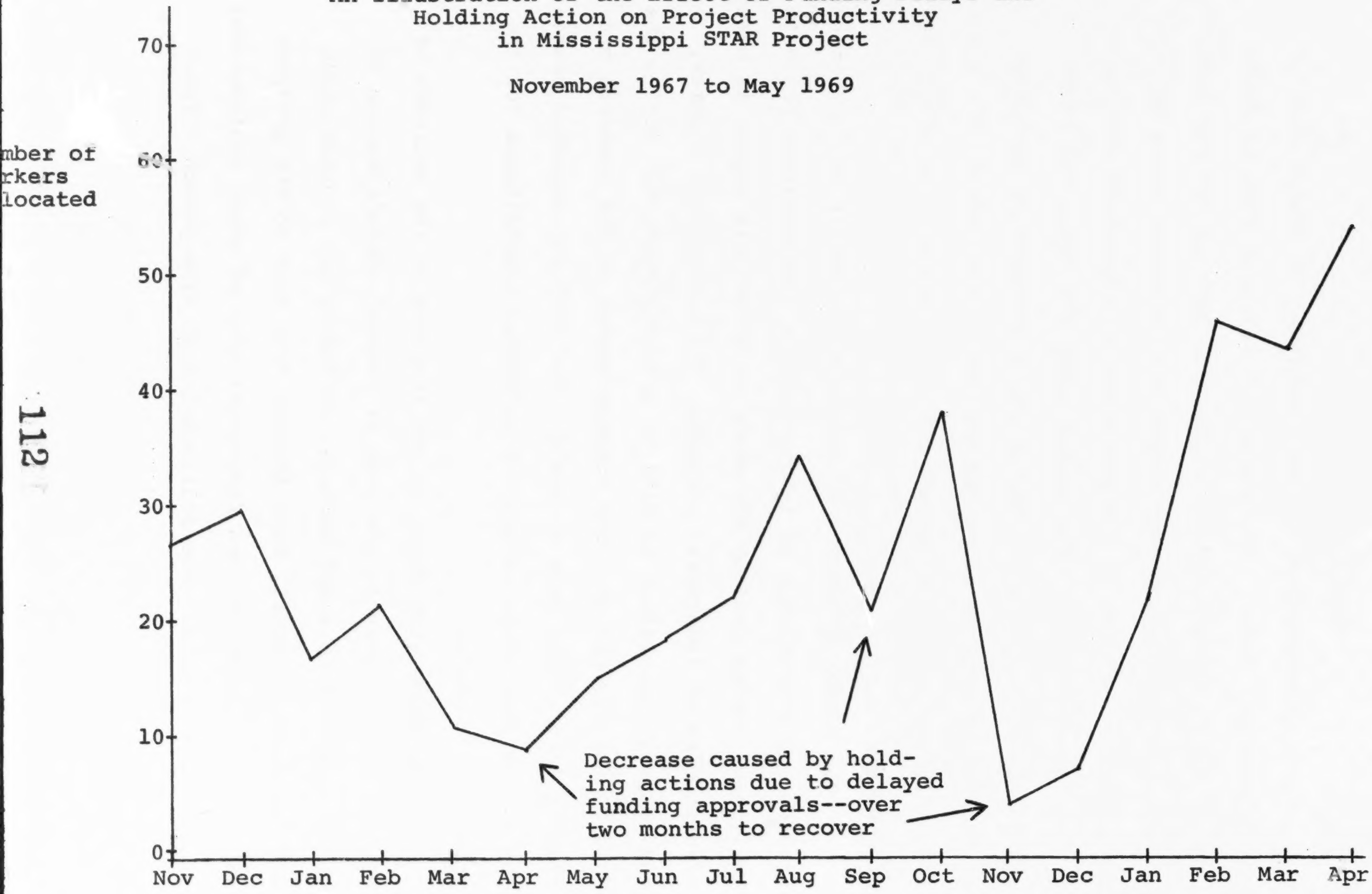
The consequences of the irregular and variable funding cycle for one labor mobility demonstration project can be seen from the figure on the following page, which is reproduced from the records of a contractor project over an 18 month period. The dominant features of the figure are the low levels of relocation activity resulting from funding interruptions which caused almost complete cessation of recruitment and relocation activity. Because the relocation process takes time, it may be conceived as a "pipeline" flow from initial identification through placement and relocation. When the flow is interrupted, some time is required to fill the "pipeline" again. The figure on the following page indicates that the number of relocations was reduced during at least seven months of the 18 covered. An analysis of the flow of relocations in another contractor project shows reduced activity due to funding crisis in five months of a 15-month period.

The category Other Program Costs, includes three items: interregional coordination, supportive services, and research activities. The first two items could be related directly to project activities. Interregional Coordination costs were intended to cover the expenses of the Coordinator's Office during

Figure IV-1.

An Illustration of the Effect of Funding Delays and
Holding Action on Project Productivity
in Mississippi STAR Project

November 1967 to May 1969



Decrease caused by holding actions due to delayed funding approvals--over two months to recover the 1967-68 Interregional Project involving 12 states east of the Mississippi River. The supportive services item is funds paid to the Travelers Aid Association of America and its local offices and cooperating representatives to assist state Employment Service agencies in the provision of supportive services to relocating workers. The expenditures for these two items could have been allocated roughly among projects on the basis of numbers of workers relocated and case loads served, but available information did not permit much confidence in an allocation procedure.

The research activities consisted primarily of independent studies and evaluations of labor mobility demonstration projects. Activities funded include the study on which this report is based, five studies of individual projects, two comparative studies, and computer tabulation of data on projects conducted during the 1966-67 funding period. The notable aspect of the research program is that it has been so small. The $333,000 expended represents less than three percent of estimated expenditures for the program as a whole.

One major item which is not included in the estimate of program expenditures is the cost of federal administration of the program. Four staff members, including two professionals and two clerical staff, have devoted full time to the projects since their inception, and fractional time of other professional staff probably totals one additional full time person. Total personnel costs for federal administration probably exceed $300,000, although a detailed study of this item was not done.

The exclusions and exceptions are important in computing the total cost of the program and may result in an understatement of the total by as much as ten percent. However, in the remainder of the report, data will be used on the average costs of projects per relocated worker, ignoring all the other components.

C. All Projects and the General Unemployed

Total program statistics reflect primarily the fact that the majority of projects and the majority of relocated workers were classified in the category of the general unemployed. For these reasons, the discussion of total program outcomes and outcomes for the general unemployed are combined in one section.

The first question in discussing the effectiveness of worker relocation is to ask whether or not the relocation projects moved workers who would not have moved if the program was not established. Some evidence on this question can be derived from a brief comparison of the characteristics of relocated workers with migration patterns in the population as a whole.[2] In the population as a whole, as discussed in Chapter I, the highest migration rates are for persons aged 22 to 24, unemployed persons, and individuals first married during the year in which the migration was measured.

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[2] In addition to project reports, data on the characteristics of relocated workers were examined in Audrey Freedman, "Labor Mobility Projects for the Unemployed," Monthly Labor Review, June, 1968, and "Moving to Work," a pamphlet by the Labor Mobility Services Unit, United States Employment Service, 1968.

Among relocated workers, more than 90 percent were males, the majority were under age 25, and single, and nearly all were unemployed. Thus, relocated workers were very similar to persons who had the highest migration rates among the population as a whole.

In addition, the data which were compiled indicate that no more than 20 percent of all workers who were screened by projects were actually relocated. The number screened is believed to be an underestimate, and screened workers included those who were employed or not eligible for other reasons. However, when it is considered that 11.4 percent of unemployed males of all ages migrated from March 1967 to March 1968, one must ask whether the screening process might not have functioned in such a manner as to select out those workers who had definite plans to migrate to seek employment in any event.

While the effect of relocation on the amount of migration is uncertain, there is evidence that relocation may have assisted in redirecting geographic mobility toward more rational directions. As noted in Chapter I, traditional patterns of migration, particularly from rural areas and especially out of the South, have contributed to urban congestion without solving the employment problems of migrating workers. Several projects actively attempted to relocate workers to destinations in nearby areas and to contravene normal migration patterns. These efforts appear to have been most successful in projects relocating workers from rural to small metropolitan areas. Attempts to reverse the flow of workers to the central cities of major metropolitan areas will be discussed later in this chapter.

The types of jobs workers were placed in, and their wage rates, reflect the skill level of the project population. Approximately half of all workers relocated in the general unemployed project populations were unskilled and entry level workers prior to relocation. The proportion appears to have been higher in projects in the South than in other areas, although the data are too incomplete to permit firm conclusions. Approximately half of all workers were employed in industrial or craft occupations after relocation. The major shift appears to have been to these occupations from service and entry level occupations. Increases in wages and earnings were reported by all projects for almost all workers, although reliable estimates of the increases are not available.

Two general aspects of the jobs in which workers were placed bear directly on the effectiveness of relocation in reducing unemployment. First, placing unskilled workers in jobs requiring low skill levels increases the probability that relocated workers found jobs which could have been filled by unemployed workers from the demand area labor market. The selection of labor markets having very low unemployment rates, of course, reduces the probability. Some projects reported that unskilled workers from rural areas were willing to accept jobs having wage rates or working conditions which made the jobs unacceptable to unemployed workers in the demand area. Although these relocations may have reduced unemployment, a full analysis of conditions in each labor market would be required to determine whether total earnings were increased. In the short run, these considerations would have little effect on the income gains of individual workers.

Second, some of the workers were placed in industries or areas where the long run prospects for continued employment are not clear. One demand area was dominated by a major aircraft manufacturer, although few workers were placed with that employer. Workers were placed in the aerospace industry, in shipbuilding and in other national defense-related industries. Although wage rates in these industries and areas may be higher than average, a shift in national priorities or a reduction in the scale of the current conflict in Vietnam would severely curtail employment in some firms in these industries and could directly affect workers relocated to jobs in them. Secondary effects in labor markets dominated by such firms might result in unemployment for workers in jobs in other industries. This sequence of events would lead to serious problems of structural unemployment. In this set of circumstances, it might be necessary to again relocate workers who had been originally relocated to the area. Aside from the costs of these secondary relocations, the individual workers involved would experience additional, and perhaps unnecessary, hardships.

Finally, workers were relocated for employment with automobile manufacturers, in which levels of employment historically are very sensitive to general patterns of economic activity. A minor recession could result in unemployment for these workers.

In general, an economic recession could be expected to cause the greatest increases in unemployment among low skill workers. However, the structure of the economy is such that not all industries are affected equally, and it seems advisable for the operation of a permanent relocation program to take into account in providing job development and placement services for low skill workers, industry patterns of stability and growth.

The reason for raising these questions is that for an individual worker there may be a potential trade-off between a job having high wages with an uncertain duration of employment and a job paying lower wages but promising stable employment. In the short run, the former job may be more attractive, but in the long run the total gain to the individual and to the economy as a whole may be greater from the latter job. This rather speculative discussion raises many subtle and complex questions, the answers to which depend upon a combination of empirical analysis and value judgments. These considerations probably cannot be translated into specific criteria or rules, but they should be taken into account by program administrators and staff.

The permanency of the relocations assisted by labor mobility projects can be measured in part from data on the location of workers two months after relocation. All workers were supposed to be followed up two months after relocation and interviewed with a standard questionnaire to determine such factors as their location, employment status and earnings, and satisfaction with the relocation. The results of these followup interviews should provide extremely valuable evidence on the effectiveness of relocation, but unfortunately, most agencies did not perform extensive analysis of the data collected. The available information will be used in this report, but many limitations are noted.

Four basic statistical measures of the outcomes of worker relocation were compiled: a) the proportion of workers remaining on their original jobs during the followup period; b) the proportion remaining in the demand area to which they were relocating; c) the proportion returning to the supply area; and d) the proportion not fitting in any of these categories.

The data on the locations of workers at the time of the two-month followup interviews are presented in Table IV-2. Overall, 30 percent of relocated workers were reported as remaining on the original job for at least two months. In Employment Service projects the average was 27.8 percent, while in contractor projects the average was 36.8 percent. Comparisons among the project populations show, in general, that the more highly skilled workers were more likely to remain on their jobs. Ignoring the category of professional and technical workers, in which one agency did not report any data, and the very small number of urban disadvantaged, 63.5 percent of workers relocated from mass layoffs,and 60 percent of trained workers remained on the original jobs, as compared with one-fourth of the general unemployed.

In all projects, 73 percent of workers, including workers on the original job and those merely called "successful" in project reports, are classified as remaining in the demand area at

Table IV-2. Outcomes of relocation, by type of agency, funding year and project population.

(Percent of workers)

	All Agencies				State Employment Services				Contractors			
	On orig. job	In demand area	In supply area	Other	On orig. job	In demand area	In supply area	Other	On orig. job	In demand area	In supply area	Other
Total	30.4	72.9	17.2	10.1	27.8	80.2	16.3	3.7	36.8	54.4	19.7	25.9
Funding year:												
1965-66	40.8	60.4	19.2	20.4	38.6	70.4	21.2	8.4	43.3	48.8	17.0	34.2
1966-67	24.2	65.4	16.4	18.1	26.4	79.6	15.2	5.2	20.4	40.6	18.7	14.7
1967-68	30.1	78.4	16.7	4.8	27.2	81.2	16.1	2.7	44.1	65.3	19.8	14.9
1968-69	59.0	73.1	26.9	- -	- -	- -	- -	- -	59.0	73.1	26.9	- -
Project population:												
General unemployed:												
North and West	18.0	78.2	17.2	4.5	17.1	79.0	16.4	4.6	35.3	63.5	33.5	3.0
South	37.6	60.4	22.2	17.3	47.5	82.7	15.2	2.1	33.1	51.7	24.9	23.2
Appalachia	21.2	75.2	21.2	3.6	21.2	75.2	21.2	3.6	- -	- -	- -	- -
Trained workers:												
North and West	59.3	74.0	8.4	17.6	- -	- -	- -	- -	59.3	74.0	8.4	17.6
South	59.3	67.4	11.2	21.4	91.2	91.6	8.4	- -	22.3	39.4	14.4	46.1
Appalachia	na	74.4	7.7	17.9	na	74.4	7.7	na	- -	- -	- -	- -
Mass layoff:												
Other occupations	63.5	67.9	18.2	13.9	63.0	67.4	18.5	14.1	100.0	100.0	- -	- -
Professional & technical workers	7.2	91.0	4.1	4.8	7.2	91.0	4.1	4.8	- -	- -	- -	- -
Urban disadvantaged	61.5	73.1	26.9	- -	83.3	83.3	16.7	- -	31.8	59.1	40.9	- -

the time of followup.[3] The demand area retention rate was 80 percent for Employment Service projects and 54 percent for contractors. A large proportion of workers are classified as "other," which includes workers in areas other than the demand and supply areas, workers who could not be located for a followup, and those who were deceased, incarcerated or in school at the time of followup. Seventeen percent of all relocated workers returned to the supply area within the followup period or were classified as "unsucessful." The average percentage was not significantly different between Employment Service or contractor projects, but reporting problems confuse the interpretation of the data.

The most important general limitation on these data is that approximately 20 projects merely classified workers as "successful" or "unsuccessful." The most restrictive definition of success used was staying on the original job in the demand area for at least six months. The least restrictive meant that workers had not returned to the supply area and made contact with the agency conducting the project. The statistical and substantive difference between these definitions is enormous. In addition, the followups were not completed for significant numbers of workers;

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[3] The overall rate of retention of workers in the demand area is usually computed excluding persons who fall into the "other" category, yielding a "success" rate of about 80 percent. This rate has been cited often as comparable to the retention rate of relocation programs in Europe. In fact, although the number is approximately the same, retention rates for European programs are measured over periods ranging from one to three years. Over the same period, rates in the U. S. would be much lower. See Programs for Relocating Workers Used by Governments of Selected Countries, pp. 15-16, 19-20 and 32-33.

many were completed three or four months after relocation; two agencies reported location on the basis of a followup interview at the end of the project, rather than at the end of two months; two contractor projects did not followup workers relocated without relocation assistance allowances; and one contractor did not report any followup results.

Substantively, a strict interpretation of the fact that a worker remained on his original job from the time of relocation to the date of followup implies the following: a) that the worker preferred working to not working; b) that he preferred the job he obtained through relocation to other jobs known to him in the demand area or other areas; and c) that the employer was sufficiently satisfied with his performance to retain him. In short, the proportion of workers remaining on the original job is a measure of the extent to which the job development and placement process of each project succeeded in matching workers with specific areas and jobs.

The substantive interpretation of the second measure of the outcomes of relocation, the proportion of workers in the demand area at the time of followup, is simply that relocated workers who stayed in the demand area, whether or not on the original job, preferred that area to any other area about which they had information and to which they had the means to move. In the case of workers who relocated very large families, the latter consideration may have been important.

In essence, the decision by a worker to return to the supply area from the demand area is an indication that, having had direct experience in both areas, the worker preferred the supply area to the demand area and other areas about which he had information. The proportion of workers who returned to the supply area has been interpreted by most agencies and analysts as a measure of failure of the relocation project.

It has been argued by some project administrators and government officials alike that even those who return home benefit as a result of relocation. Evidence is normally cited of apparent income and earnings gains on the part of returning workers as compared with the pre-move income and earnings. These gains are often explained as being the result of informal training, work experience or other factors which prepare individuals for employment in the home area and make them more acceptable to home area employers. These experiences, the argument runs, derive directly from relocation.

However, it is highly implausible to assume that a worker could acquire in less than two months' work experience or informal on-the-job training, substantial skills or a work record which would improve his acceptability to employers in the home area or any other area.[4] Furthermore, the relocation program is based upon the assumption that a worker must relocate to find suitable employment. If the suitable employment and resulting income and earnings gains are found in the home area, the need for relocation is obviated, and no effectiveness can be attributed to the project. Finally, the evidence cited in these arguments is not complete. More complete results for one project are shown below.

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[4] This statement is born out by the JOBS Program, which is designed simply to hire and retain low skill workers in low level positions. In this program, subsidized training periods range from 8 to 38 weeks.

Some reliable evidence on the significance of the location of workers in relation to project effectiveness for society as a whole and for individual workers was developed in an independent study of the labor mobility project in North Carolina in 1966-67.[5] This contractor project relocated unskilled workers with low levels of education, to industrial employment in metropolitan areas of North Carolina. The multiproblem project population posed a severe test of the economic effectiveness of relocation in reducing unemployment, but the lessons of the study are relevant to the evaluation of the results of other projects.

The study found that two-thirds of all workers relocated remained in the demand area through the two-month followup, but only 54 percent of those reporting were still in the demand area at the time of a followup at the end of the project. Workers left at an average rate of 19 workers per month in each month after the second, and it was estimated that only one-third would have remained in the demand area as long as one year. Furthermore, among a comparison group of workers not relocated, 20 percent migrated without assistance. In this project, then, the net increase in out-migration from the supply area was not as much as might be concluded from examination of the project data, and the location of workers two months after relocation was not a good predictor of their location ten months later.

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[5] Charles K. Fairchild, "Rural Disadvantaged Mobility", Proceedings of the 1969 Annual Spring Meeting, Industrial Relations Research Association, pp. 461-472; and by the same author, "Subsidized Relocation of the Rural Unemployed: Benefits and Costs", mimeo paper presented at the Southern Economics Association Convention, November 14, 1969. A study underway by Gerald G. Somers, Evaluation of the Michigan and Wisconsin Labor Mobility Projects, (University of Wisconsin, preliminary draft dated 1968), uses similar methodology and will provide a broader base of evidence for further conclusions.

Relocated workers experienced substantial gains in employment and earnings, and their projected demand area earnings at annual rates of $3,200 were more than double earnings, prior to moving, and their gains exceed that of the control group by $1,170. Those who returned to the supply area also experienced earnings gains, but these gains were less than those of the control group, primarily because returning workers were unable to find employment in the supply area.

The conclusion of the benefit-cost analysis of the North Carolina project was that the net increase in earnings experienced by workers who stayed in the demand area would have to persist for at least six years to equal the social resource costs of the project. The earnings gains attributed to workers who stayed in the demand area were large enough that the project would have demonstrated a positive payoff to society within about one year after relocation if all workers had remained in the demand area.

The substantial earnings gains derived from relocation, added to the lack of employment opportunities in the supply area, would seem on the surface to be sufficient incentive to workers to remain in the demand areas in North Carolina. However, taking into account lost income in kind and higher costs of living in the demand area, it was estimated that the average net real income gain for individuals did not exceed $600 per annum.

These relatively small net real income gains may not have been sufficient to overcome strong preferences for familiar locations near families and friends in the supply area. Conceptually, workers who held strong preferences for the supply area incurred real non-monetary or "psychic" costs as a result of relocation which, like higher costs of living, persisted after other one-time costs of moving had been absorbed. The supportive services provided in North Carolina beyond job placement and housing placement may be described as an attempt to compensate workers for their pyschic costs. The social cost of extensive supportive service efforts may be estimated from the fact that the North Carolina agency expended in administrative funds an average of $1,200 per relocated worker during the 1966-67 project and almost $1,700 during the 1967-68 project, most of which was devoted to supportive services prior to, and three or more months after, relocation.

This specific example has been discussed at some length because this is the only available study which examined a project using an adequate methodology. The discussion is not presented as a criticism of the agency or of relocation as a method for reducing unemployment among the rural poor. The experience of other projects also leads to the conclusion that relocation of rural disadvantaged workers must be combined with extensive supportive services and perhaps other manpower development programs if their employment problems are to be solved. How much these services must cost is problematic, because another contractor relocating similar workers in Mississippi achieved a similar retention rate with an average administrative expenditure of only $640.

The results do indicate some of the possible pitfalls in estimating gains in employment or earnings on the basis of comparisons before and after relocation and imputing these gains to the effects of relocation. A before and after comparison relies on the assumption that other things remain unchanged. The study cited indicates that other things may change in ways which materially affect the outcomes. Until more detailed research is performed, using adequate records collected by projects and other sources of data, it will not be possible to assess with precision the effectiveness of worker relocation for individuals with different employment problems in different areas.

D. Training and Relocation

The experience of the labor mobility projects, however, demonstrates that the rural unemployed may lack the vocational and social skills required for industrial employment in an urban environment. A logical solution to this problem would be vocational institutional training prior to relocation. On-the-job training is designed to meet specific skill shortages in the local labor market.

Employers would be unlikely to train workers to be relocated to other areas, and it seems uneconomical to relocate workers to on-the-job training when most labor markets have unemployed or low skill workers who could be trained and employed without relocation. Institutional training prior to relocation, rather than after, has advantages in that assessment and preparation can be completed in a familiar environment. In addition, MDTA courses designed to meet regional or national skill shortages have been conducted in depressed areas. Worker relocation is a logical complement to vocational training in such circumstances.

The theoretical desirability of combining relocation and training is obvious, but a comparison of costs and results raises some significant questions. In comparing the two types of programs, it should be noted that relocation, by definition, places workers directly on jobs, while training prepares workers for future employment. In fiscal years 1963-1968, 47 percent of persons enrolled in MDTA institutional training and 45 percent of persons enrolled in on-the-job training completed their courses of training and were employed.[6] Average federal obligations per enrollment opportunity in institutional training were $1,460 and in on-the-job training were $657.

Viewed as a competing program, relocation may be more efficient than training and may have a lower cost-effectiveness ratio, where employment is the measure of effectiveness. The average direct expenditure per relocated worker was $866 for all projects, and the average per "successful" relocation was about $1,150. Based on the above data, a crude estimate yields an average cost of $3,300 per employed institutional training graduate and of $1,450 per person who completed on-the-job training and was employed. Average training expenditures have been higher in recent years and the proportion of enrollees who complete training and become employed has been lower, reflecting the concentration of resources on disadvantaged workers.

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[6] The data on training are taken from the Manpower Report of President, (U. S. Government Printing Office, Washington, D. C., 1969), Appendix Tables F-1 and F-2.

It is to be emphasized that this comparison is very crude and compares federal training obligations with project expenditures. A full analysis of all dimensions of effectiveness for different groups and of all cost components of both training and relocation would be required to permit firm conclusions, but these data indicate that the cost per person employed was almost certainly lower in the relocation projects than in training programs.

The immediate question which arises is whether relocation and training combined might not be more effective than either separately. The results of projects conducted by four agencies shed some light on this question. One agency which conducted projects three years in succession, relocated individuals who had graduated from MDTA training programs in the Michigan Upper Peninsula, a depressed rural region. In the three projects combined, an average of 84 percent of relocated workers who were followed up remained in the demand area at least 60 days, and costs averaged $725 for all relocated workers, exclusive of training costs. This retention rate is only slightly higher than the average for all projects, excluding persons who were not followed up at the end of two months. While average costs of both relocation assistance allowances and project administration were somewhat lower than the average, this agency used other agencies to perform job development and followup services. Most relocated workers were single individuals without families. Therefore, one must say that its gross results were not significantly better than the average for projects relocating the general unemployed.

In another project, the Texas Employment Commission and eight other federal and state agencies and one major employer combined resources to recruit and train workers in the Rio Grande Valley of Texas and to relocate them to Grand Prairie.[7] In all, the project relocated 981 workers, of whom 684 were relocated to one city for employment as aircraft assemblers in one major firm. The focus is upon the 684 workers, because these were the workers upon whom resources were concentrated. These workers were provided five weeks training conducted by the employer in sheet metal assembly prior to relocation, additional on-the-job training for a period of eight weeks, and extensive supportive services, including personal and family counseling, budgeting assistance and housing placement services throughout the pre-relocation and post-relocation periods. Many workers found accomodations in public housing, as a result of a special modification of normal application procedures by the local housing authority.

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[7] Unless specifically noted, information on this project is derived from the Texas Employment Commission, Texas Labor Mobility Project, Final Report, April 1969. Other sources noted are an LTV Aerospace Corporation, Press Release, May 23, 1969; David C. Ruesink and Thomas B. Batson, "Success Factors Associated with Relocating Workers from Non-Metropolitan Areas", Appendix G; Texas Labor Mobility Project; and David C. Ruesink and Michael C. Kleibrink, "Mexican Americans from the Rio Grande to Ling-Temco-Vought", Proceedings of the 1969 Annual Spring Meeting, Industrial Relations Research Association, pp. 473-9.

The results were little short of startling in comparison with the results of other projects. Of the 684 relocated to aircraft assembly jobs, 95 percent remained employed with the company during the 60 day followup period, and 491 were still employed as of May 1969, more than five months after the last relocation had taken place.[8] This compares with a 60 day retention rate of 86 percent among workers relocated to other jobs by the same project.

The resources devoted to this project were considerable. Estimated expenditures for the relocation part of the program total $569,000, including relocation assistance allowances. The average of about $580 per relocated worker compares with an average of $866 for all projects. The average relocation assistance allowance payment was $403, higher than the average of $294 for all projects, because the average distance of moves was longer and most moves in the Texas project were by commercial mover. Direct expenditures for administration averaged only $178, compared with $573 for all projects and $460 for all Employment Service projects.

However, an additonal $644,000 was budgeted for the costs of training workers, an average of more than $650 per relocated worker, and the company estimated the costs of conducting training and counseling at about $300 per worker. It is not known if training costs equalled the budgeted amount, nor is it known if the company was fully reimbursed for the costs it incurred. In all, then, it appears that expenditures for this project may have averaged about $1,500 per worker who was trained and relocated. This is higher than the average for all relocation projects, about the same as average costs per employed worker completing on-the-job training, and lower than average costs for institutional training graduates who become employed.

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[8] LTV Aerospace Corporation, Press Release, May 23, 1969.

The Texas project has been cited often as an example of cooperation between the private and public sectors. This may be true, but it does not follow that the project should serve as a model for the design of a permanent program to relocate the rural unemployed.

Workers were required to have at least five years of schooling and to pass a proficiency test administered by the Texas Employment Commission for the employer. They were then further screened by a representative of the employer prior to enrollment in training. As a result of this intensive screening, fewer than 25 percent of those screened were enrolled in training and only 15 percent of workers dropped out of the five-week pre-relocation training course.[9] Workers enrolled and relocated were not representative of the expected project population of migrant and farm workers. According to the independent study, 95 percent were under age 35. The median years of school completed was 11,

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[9] Ruesink and Batson, "Success Factors...", pp. G-8 and G-16.

40 percent were high school graduates. The project data indicate that less than 10 percent had been employed in agriculture in their last regular job; no more than one-fourth were employed in related non-migrant seasonal employment.

The independent researchers reached two important conclusions. First, "From these statistics it may be inferred that the trainees are not what one would expect for unemployed or underemployed persons, thus the program is not dealing with many hard-core unemployed or unemployables".[10] Second, "The results show that for the most part, these relocatees simply shifted from one type of employment to another".[11] They attributed the apparent high degree of success primarily to the intensive and restrictive screening and selection process and to the large amount of resources devoted to training and supportive services after the move.

Whatever the successes or failures of the Texas project in its own right, it does not provide an adequate model for replication in other areas. The project has several limitations as an approach to an effective linkage between training and relocation to solve the problems of rural disadvantaged workers. The workers actually trained and relocated were not representative of the rural disadvantaged. In most areas, it would be difficult to find one major employer who could hire significant numbers of unskilled or inexperienced workers and who would assist in the selection and training process. Finally, the placing of large numbers of workers with one employer may not be desirable, for reasons discussed previously.

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[10] Ruesink and Batson, "Success Factors...", p. G-16.

[11] Ruesink and Kleibrink, "Mexican Americans...", pp. 478-9.

Other agencies tested different combinations of combined training and relocation. Two contractor agencies which explored other combinations, including on-the-job training of migrant workers and relocation of trained prison inmates, did not provide reliable information on their activities, and the effectiveness of their projects cannot be assessed.

One contractor agency relocating and training workers in Minnesota provided vocational and personal counseling and when needed, psychiatric services during a 12 week residential program to hard-to-employ workers referred to it by the state Employment Service. Although 87 of 89 workers finally relocated by this agency remained employed in the demand area for sixty days, the number relocated was approximately half the number who initially started the 12 week program. The remainder either dropped out and returned home or were advised to do so. The average cost for combined subsistence and relocation allowances was $1,000. Administrative costs averaged $1,700 per relocated worker.

A state Employment Service agency project in Kentucky was designed to recruit unemployed youth into MDTA institutional training and to relocate graduates of the training courses. A total of 283 males were enrolled in training courses of approximately one year in duration, and 165 completed the courses. All who enrolled in training signed a statement indicating interest in relocation, and all were considered eligible for assistance pending completion of training. However, only 78 were relocated. Of these, 58 remained in demand areas during the followup period, a retention rate of 74.4 percent or slightly less than the average for all projects. The average cost of training per person completing was $3,975, relocation allowances averaged $139 per relocated worker, and the average administrative cost for the mobility project was $707. Thus expenditures per relocated training graduate averaged more than $4,800.

The experience of these two projects reveals an administrative problem in a program designed to link training with relocation. The training itself serves to enhance the skills of participants, so that individuals who had no prospects for local employment prior to training may find local employment as a result of training. Furthermore, training provides program operators an opportunity to conduct a more thorough evaluation of the capacities of each individual than would be possible in the normal screening process. This evaluation may result in a recommendation against relocation. In either case, there is attrition from the original project which may result in an over-committment of resources to the relocation phase of the program. However, since the attrition should serve to exclude those persons least likely to benefit from relocation, either because they can find local employment or because they are not adequately equipped for employment, the success rates of the relocation phase of the program should be increased. On this point the evidence from the two projects is mixed.

In projects relocating workers classified as the general unemployed, the proportion of workers who had taken training prior to relocation appears to have averaged between 20 and 25 percent. Data were available from 12 projects on the number relocated and the outcomes of the relocations for workers who had taken MDTA or other federally financed training. These projects relocated 4,700 workers, of whom 1,057 or 22.5 percent had taken training. Among all persons, 16.7 percent were classified by the projects as unsuccessful or returned to the supply area, while among trained workers 18.5 percent were similarly classified. In seven projects, the proportion unsuccessful was higher among trained workers than among all workers. Using employment status as the measure of success, a study of one project found no difference in the proportion of workers employed at the time of followup among three groups -- untrained workers who relocated, trained workers who relocated, and trained workers who did not relocate.[12] On the basis of these data, one would conclude that there was no significant difference between the success rates for trained and untrained workers.

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[12] Analysis of the 1967 Virginia Pilot Labor Mobility Project," Office of the Director, United States Employment Service, Washington, D. C., unpublished mimeo, 1968(?). Preliminary data from Somers, Evaluation..., show that training had a greater impact on the employment and earnings of nonmovers than of relocated workers in Wisconsin and Michigan.

In contrast, a tabulation of the outcomes for 3,400 workers relocated by 1966-67 projects shows that, while 64 percent of all workers were employed at the time of followup, 78 percent of trained workers were employed.[13] This difference is clearly significant. The discrepancy between the two sets of results may be explained in part by differences in the definitions of success, different aggregation procedures, and different reporting practices, especially as they relate to imputing outcomes to workers who could not be located for followup. Nonetheless, two sets of contradictory data exist, and it was not possible in this study to find a satisfactory explanation for the contradiction.

In summary, the evidence available on project experience raises questions as to whether or not a program of linked training and relocation is more effective than relocation alone in placing unemployed persons in jobs. The combination does appear to be more costly than relocation alone. However, the available evidence did not permit sufficiently detailed analysis of the characteristics of trained and untrained workers and of the jobs they received. It may be that untrained workers who relocated were better qualified initially, and that training sufficiently enhanced the skills and capacities of workers relocated after training to enable them to compete in the labor market. It also may be that untrained workers and the jobs they obtained through relocation were quite different in other respects from trained workers and the jobs they obtained.

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[13] Audrey Freedman, "Labor Mobility Projects...", (op. cit.), Table 3.

The aggregate evidence available for this study was self-contradictory and did not permit firm conclusions. It is recommended, therefore, that experimentation and research projects be designed to carefully and thoroughly test and evaluate linkages between training and relocation before final conclusions are drawn for the design of a permanent program.

E. Other Project Populations

Eight projects relocated workers unemployed as a result of plant closings or mass layoffs. Workers relocated by these projects included professional and technical workers whose unemployment resulted from contract completions or terminations in aerospace and defense-goods industries,copper miners unemployed as a result of a mine closing, and glassblowers who became unemployed when the factory was closed. Nearly all workers were placed in similar jobs in the same industry or related industries, and the majority received higher wages in their new jobs. The majority of moves in these projects were interstate. Retention on the original job and in the demand areas was higher than average for professional and technical workers and about average for other workers.

Workers relocated in these projects constituted less than ten percent of all relocations. The need for relocation assistance derived from several factors. Workers having skills in general demand were hired by other employers and were often relocated at the expense of those employers without assistance from the projects. The labor mobility projects usually assisted professional and technical workers who had acquired specialized skills which could not easily be transferred to other industries or to other firms at the same wage rates. Workers such as miners with skills specialized to a generally declining industry needed assistance in finding employment opportunities in the same industry.

The need for and effectiveness of relocation of workers unemployed for similar reasons in a broader program depends in part on the specific cause of unemployment and in part on general economic conditions. Employment will continue to be volatile in the aerospace and national defense-goods industries due to shifts in national priorities, and, while it might be more economical to plan such shifts to minimize employment effects, relocation assistance may continue to be needed in specific cases. Relocation assistance may also be useful in easing the burdens of technological change in other industries, although increasing numbers of collective bargaining agreements provide mechanisms to cope with such problems. When mass layoffs result from general economic recessions, however, worker relocation would have to be carefully planned to avoid merely shifting unemployment from one area to another.

Four projects attempted to reverse the trend of increasing concentrations of disadvantaged workers who are members of minority groups in the central cities of metropolitan areas by relocating workers to suburban fringes or small towns. None of these projects had a significant success which would commend relocation as a method of reversing the trend. Two projects encountered changes in the economic and social environment which invalidate the test. One of these attempted to relocate welfare recipients to outlying small towns, providing supplementary welfare payments during the post-move adjustment period. Before the project started, however, a large employer in the supply area city received a major contract and recruited skilled and unskilled workers not only from the metropolitan area but also from several other states. Many able-bodied recipients obtained employment with this employer or related employers, leaving on the welfare rolls a majority of female heads of households and disabled persons for whom relocation was not feasible. The other project encountered a crisis of serious racial tension in the metropolitan area which virtually precluded efforts to find housing or jobs for Negroes in predominantly white areas.

The other two projects reported no unusual circumstances, but their success in relocating workers was not significantly better. In all, the three projects for which data are available found half the screened workers eligible for assistance, but relocated only 20 percent of those eligible. The principal limitations on relocation of the urban disadvantaged appears to be a reluctance of the individuals themselves to leave the central city for predominantly white suburbs and small towns, a reluctance of the suburban employers to hire such workers, and the non-availability of suitable housing at reasonable prices.

F. Financial Assistance

The role of financial assistance in promoting relocation and retention is difficult to analyze. Virtually all projects stated that financial assistance was a vital part of the relocation program, although other services also were considered vital. The only direct evidence was developed from the two-month followup questionnaire on which workers were asked to assess the importance of the relocation assistance allowance in making their move.

Few projects tabulated responses to this question, but the findings are interesting. On the average, it appears that roughly one-third reported that they could not have moved without the allowance, one-third reported that the allowance permitted an earlier move, and the remainder reported that the allowance made no difference. The rates of return to the supply area were highest among the first group and lowest among the last. No clear interpretation can be made of this finding, however, because workers were not asked to compare the importance of financial assistance in making the initial decision to relocate with that of the other forms of assistance provided by projects.

In all, approximately 2,000 workers were relocated without financial assistance. One agency which relocated workers without financial assistance for six months and then began paying allowances found that, while fewer workers were willing to move without assistance, the retention rates were not significantly different. The Iowa agency paid assistance allowances to 143 of the 759 workers relocated, while the remainder received interview grants only, and found that 80 percent of all workers remained in the demand area. The need for relocation grants is obvious, especially for the long-term unemployed, but the effectiveness of financial assistance does not appear to be separable from that of other forms of assistance.

G. Summary

The focus of this chapter was upon the effectiveness of relocation as a manpower development tool. Because relocation places unemployed workers directly on jobs, the number of workers relocated is one measure of effectiveness. In all projects, more than 14,000 workers were relocated including 2,000 who did not receive allowances, at an estimated total cost of $13 million. Direct project expenditures averaged $867 per relocated worker, of which $294 was for relocation assistance allowances and $573 for project administration.

Relocated workers were placed in jobs consistent with their skill levels and backgrounds. The majority of the general unemployed, who constituted more than 80 percent of all workers relocated, were employed in low skill industrial jobs or at entry levels in craft occupations. Some of these workers, as well as the majority of professional and technical workers, were placed in occupations and industries in which employment levels are sensitive to the general level of economic activity and to shifts in federal spending patterns. The long-term prospects for stable employment in these industries are not clear, although wage gains may have been higher for workers employed in these industries.

General considerations and specific evidence lead to the conclusion that, if relocated workers had no local prospects for employment in the supply area, retention of workers in the demand area is an important prerequisite for reducing unemployment. In all projects, approximately three-fourths of relocated workers remained in the demand areas during the time of the followup, 17 percent had returned to the supply area, and the remainder were either in other areas or were not followed-up. About one-third were still on their original jobs. Retention was higher among professional and technical workers than among other groups. However, the results of a study of one project showed that the location of workers two months after relocation was not a reliable predictor of long run retention in the demand areas. A detailed study of the locations and patterns of movement of relocated workers over a longer period of time would be required to obtain reliable estimates of long-run retention rates.

Combined training and relocation for low skill workers may not be more effective than relocation alone. Relocated workers who had received MDTA or other vocational training prior to relocation, had results which were not significantly different from those of workers who had not received training. The one project which did have better success in retaining trained workers on their original jobs operated in a unique set of circumstances, and its results do not alter the conclusion. Projects were not able to relocate large numbers among the urban disadvantaged, although retention rates among the few workers relocated were about average.

In summary, the labor mobility demonstration projects demonstrated that worker relocation can be used to assist unemployed persons having many different backgrounds and skill levels to find employment. Other things being equal, the outcomes of the projects clearly indicate the potential of worker relocation for reducing unemployment, increasing incomes and increasing earnings. In the concluding chapter, recommendations will be made for the uses of work relocation as a manpower development tool in a permanent program.

Chapter V. Conclusions

The basic findings and recommendations from the study of labor mobility demonstration projects were summarized at the beginning of this report. Worker relocation can be an effective tool in the United States Department of Labor program for improving the utilization of human resources. In this concluding chapter, some recommendations will be discussed which could help improve the worker relocation program to meet the manpower needs of the United States.

The principal justification for a relocation assistance program is as a tool in the solution of the employment problems of residents of depressed rural areas. In a permanent program, labor surplus areas and areas experiencing continuing shortages of workers could be identified from area statistics on unemployment, labor force participation, industry growth, and migration patterns. A permanent program should concentrate the bulk of its resources in relocating workers to nearby regional growth centers.

A secondary need is to cope with employment problems arising from plant closings and other sudden shifts in the location of employment opportunities. The need for financial assistance is limited to those cases in which alternate resources are not available through collective bargaining agreements or other sources, although non-financial assistance may also be required. To cope with these situations, a permanent program would require the flexibility to allocate funds and, perhaps, special technical assistance and support staffs to the affected areas.

A relocation program requires an adequate system for collecting and distributing specific, accurate information on the locations of unemployed workers and of job vacancies. The information should be sufficiently precise, complete and timely to permit referral of unemployed workers to specific jobs in other areas. The program of the United States Training and Employment Service to develop computerized systems is aimed at the creation of a linked system for information exchange among areas and for automated matching of workers with jobs. At least until such time as these systems are fully operational, the information exchange process will have to be supplemented by telephone communication and by pre-employment travel grants. These grants permit job-seekers to have face-to-face interviews with prospective employers and to examine the community in which available jobs are located.

Financial assistance should be available to all unemployed or underemployed workers who meet the criteria stated in the Summary of this report. It should not, of course, substitute for assistance which private industry normally pays, either as a matter of policy or as a result of collective bargaining agreements. The expenses of relocating workers in these cases are a normal cost of doing business for the companies that pay them, and a government relocation program should not upset the structure of these costs.

A test which relates eligibility for financial assistance to the means of a worker to move without assistance or to the projected earnings of a worker after relocation is not recommended. Means or incomes tests violate the concept that a relocation program should operate to improve the utilization of manpower resources. In relation to this criterion, involuntarily unemployed or underemployed persons who have the means to move or whose earnings will be relatively high after relocation may be the group for whom relocation contributes the greatest increase to total production in the economy.

Repayment of allowances by relocated workers who do not remain on the jobs or in the areas in which they were placed was required by the labor mobility demonstration projects. This is a method used in Sweden to prevent workers from relocating repeatedly and, in effect, seeing the country at government expense. At such time as techniques become perfected to supply information on jobs and areas and to match workers with jobs, this policy might be useful in a permanent program in the United States. Given existing imperfections in information and methods, it is not clear in those cases in which relocated individuals return to the sending area whether the fault lies with the individual worker or with the program. Therefore, repayment of allowances is not recommended in the initial design of a permanent relocation program, although penalties should be assessed in cases of fraud.

Unemployed and underemployed persons who need to relocate to find suitable employment also are likely to need supportive services in finding housing and solving the non-vocational problems of adjustment to a new area. A permanent program should provide such services to relocating workers, as well as to hard-to-employ persons who do not relocate.

A permanent program of worker relocation assistance should be integrated into a comprehensive system for the delivery of manpower services which includes an assessment of the vocational and related non-vocational needs of unemployed persons, a plan for meeting those needs, and followup services to identify and meet continuing needs. In this context, relocation would be one of the alternative and complementary tools available for solving the employment problems of individual workers.

The Manpower Training Act proposed by the Nixon Administration contains several provisions that would meet the requirements outlined above. This proposal would require each area to establish a comprehensive system for the delivery of manpower services. Workers who could not be placed in local jobs could receive services including an assessment of individual needs, an employability development plan, and followup support. Relocation assistance is one manpower development tool listed, and the comprehensive manpower plans for states and individual areas could allocate resources in relation to the need for worker relocation. The proposed National Computerized Job Bank of information on job vacancies and unemployed workers could provide the mechanism for the exchange of complete and accurate information among areas on a timely basis. The provisions would correct several problems identified by the labor mobility demonstration projects.

One flaw in the proposed legislation in relation to worker relocation is the proposed decentralization of responsibility for the design and operation of manpower services to states and major cities. Decentralization could limit the coordination of the delivery of service to workers relocating between different jurisdictions. Utilization by the Secretary of Labor of proposed powers of review and coordination of manpower plans from different areas would be one method of insuring adequate coordination.

APPENDIX A.

STATISTICAL PROFILES OF LABOR MOBILITY DEMONSTRATION PROJECTS

State	Sponsoring Agency	Approximate Period of Operation	Project Population Classification	Number Screened	Number Eligible	Number Relocated	With RAA?		Placed by Project?		Intrastate Move?		Followup Results				Expenditures	
							Yes	No	Yes	No	Yes	No	On Original Job	In Demand Area	In Supply Area	Not Known & Other	RAA	Administration
Alabama	Tuskegee Institute	6/65 - 3/66	Trained workers, South	660	300	103	103	0	n.a.	n.a.	48	55	61	67	32	4	$ 31,727	$ 60,955
		3/66 - 4/67	" "	741	408	347	n.a.	n.a.	293	54	n.a.	n.a.	n.a.	n.a.	n.a.	347	63,784	218,950
		5/67 -11/68	" "	711	470	397	397	0	396	1	n.a.	n.a.	128	267	90	40	92,871	2[illegible],500
Arizona	Council of Churches	6/66 -12/67	Trained workers, West	235	95	43	39	4	42	1	43	0	32	32	3	8	12,225	90,993
California	Department of Employment	3/65 - 9/65	Mass layoff, Professional and technical workers	1,191	405	34	23	11	17	17	30	4	30	31	3	0	11,127	54,553
		2/66 - 6/67	" " "	4,095	1,617	313	313	0	150	163	239	74	n.a.	287	11	15	203,337	124,725
		7/67 -12/68	" " "	3,221	2,887	392	392	0	164	228	271	121	n.a.	357	16	19	129,117	265,781
Connecticut	City of Hartford, Department of Public Welfare	7/66 -12/67	Urban disadvantaged	248	47	16	16	0	16	0	16	0	5	10	6	0	5,804	26,451
Delaware	Employment Security Commission	7/67 - 6/68	General unemployed: North	No relocations reported.		---	---	---	---	---	---	---	---	---	---	---	---	15,012
Georgia	Employment Security Agency	12/67- 3/69	General unemployed: South	1,197	793	271	271	0	195	76	209	62	209	233	33	5	80,718	204,252
Illinois	Employment Security Administration	5/65 - 9/65	General unemployed: North	666	274	94	94	0	91	3	94	0	22	36	29	29	24,294	30,293
		7/67 -12/68	" "	496	260	130	130	0	127	3	127	3	n.a.	93	37	0	46,401	86,166
	Job Opportunities Through Better Skills	3/66 - 7/67	Urban disadvantaged	149	90	6	6	0	6	0	6	0	2	3	3	0	1,336	46,556
	Southern Illinois University	5/65 - 5/66	General unemployed: North	436	n.a.	125	125	0	n.a.	n.a.	119	6	50	65	55	5	33,460	46,079
Indiana	National Council on Aging, Inc.	5/65 - 9/65	Mass layoff, other than Professional and Technical	112	2	2	2	0	0	2	0	2	2	2	0	0	145	62,070
	Employment Security Agency	5/65 - 9/65	No relocations reported.			---	---	---	---	---	---	---	---	---	---	---	---	---
Iowa	Employment Security Commission	3/67 - 1/69	General unemployed: North	1,515	1,150	759	143	616	756	3	759	0	n.a.	600	159	0	38,683	174,312
	Manpower Development Council	5/68 - 4/69	General unemployed: South	(received from Mississippi)		9	9	0	9	0	0	9	4	5	4	0	0	33,462
Kentucky	Bureau of Employment Security	4/65 - 9/65	General unemployed: Appalachia	2,075	592	24	24	0	11	13	7	17	16	18	3	3	3,955	38,501
		10/66- 6/67	" " "	207	196	94	85	9	66	28	55	39	49	53	36	5	52,615	34,942
		5/66 - 6/67	Trained workers: Appalachia	283	283	78	75	3	52	26	n.a.	n.a.	n.a.	58	6	14	10,855	55,149
		7/67 -12/68	General unemployed: Appalachia	891	871	496	459	37	357	139	107	389	n.a.	397	81	18	184,066	192,041
Maryland	Department of Employment Security	7/67 - 8/68	General unemployed: North	27	20	18	8	10	10	8	10	8	8	9	1	8	989	10,000
Michigan	Employment Security Commission	7/67 - 6/68	" " "	162	140	52	45	7	39	13	52	0	35	39	6	7	14,809	43,246
	Northern Michigan University	4/65 - 9/65	Trained workers, North	354	354	108	81	27	65	43	61	47	84	98	10	0	23,155	88,760
		3/66 - 6/67	" " "	913	804	306	273	33	231	75	178	95	214	217	29	60	86,628	119,020
		6/67 -12/68	" " "	545	433	295	241	54	172	123	125	116	169	188	27	80	88,556	141,558
		12/68 -	(Project in progress, data not available)			---	---	---	---	---	---	---	---	---	---	---	---	---
Minnesota	Department of Employment Security	4/65 - 6/65	General unemployed: North	2,586	431	25	25	0	14	11	13	12	10	21	1	3	6,984	64,743
	Minneapolis Rehabilitation Center, Inc.	7/66 - 6/67	Trained workers, North	166	94	46	46	0	46	0	46	0	n.a.	45	1	0	44,310	80,168
		7/67 - 6/68	" " "	122	98	43	43	0	43	0	43	0	n.a.	42	1	0	43,595	74,110
		2/69 - 7/69	General unemployed: North	45	41	32	32	0	32	0	32	0	n.a.	31	1	0	7,379	20,131
Mississippi	Employment Security Commission	7/67 - 3/69	General unemployed: South	1,933	1,126	287	280	7	272	15	110	177	n.a.	233	52	2	95,031	190,374
	STAR, Inc.	6/66 - 6/67	" " "	411	350	115	115	0	115	0	115	0	54	73	41	1	14,740	102,549
		6/67 -10/68	" " "	801	795	333	330	0	333	0	n.a.	n.a.	233	255	78	0	92,324	241,228
		11/68- 8/69	" " " (Project in progress)	843	843	402	402	0	402	0	306	96	259	288	114	0	102,406	199,384
Missouri	Division of Employment Security	5/65 - 9/65	General unemployed: South	325	253	21	21	0	21	0	21	0	18	18	3	0	5,438	18,040
		5/66 - 6/67	" " "	734	513	134	67	67	134	0	90	44	95	117	17	0	17,883	82,826
		7/67 -12/68		887	682	146	127	19	138	8	125	21	72	110	26	10	33,391	174,545
		7/67 - 6/68	" " "	677	548	116	n.a.				95	21	47	85	21	10	27,391[a]	141,745[a]
		7/68 -12/68	Urban disadvantaged	210	134	30	n.a.	n.a.			30	0	25	25	5	0	6,000[a]	30,800[a]

State	Sponsoring Agency	Approximate Period of Operation	Project Population Classification	Number Screened	Number Eligible	Number Relocated	With RAA?		Placed by Project?		Intrastate Move?		Followup Results				Expenditures	
							Yes	No	Yes	No	Yes	No	On Original Job	In Demand Area	In Supply Area	Not Known & Other	RAA	Administration
Montana	Unemployment Compensation Commission	3/65 - 9/65	General unemployed: North	182	67	20	16	4	14	6	20	0	n.a.	14	5	1	$ 3,929	$ 6,416
		5/66 - 6/67	" " "	803	299	131	109	22	97	34	80	51	100	100	9	22	39,840	67,360
		7/67 -12/68	" " "	410	394	240	187	53	150	82	73	167	141	160	35	45	55,655	69,891
		3/67 -12/68	" " "	n.a.	n.a.	144	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	87	100	18	26	28,850[a]	36,230[a]
		5/68 -12/68	Mass layoff: other occupations-miners	n.a.	n.a.	96	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	54	60	17	19	26,805[a]	33,661[a]
		1/69 -	(Project in progress, data not available.)															
New York	Division of Employment	5/65 - 9/65	Mass layoff: Professional & technical workers	1,660	674	177	130	47	174	3	5	172	n.a.	164	9	4	120,560	62,052
		10/65- 6/67	General unemployed: North	3,005	1,588	501	456	45	404	97	219	282	n.a.	465	36	0	205,622	19,846
		7/67 -12/68	" " "	1,941	1,482	548	548	0	493	55	334	214	n.a.	454	80	14	157,249	399,808
North Carolina	North Carolina Fund/ Manpower Development Corp., Inc.	3/65 - 3/66	General unemployed: South	596	n.a.	293	278	15	n.a.	n.a.	256	37	76	76	10	207	31,695	131,479
		3/66 - 9/67	" " "	6,545	n.a.	623	489	134	n.a.	n.a.	623	0	n.a.	230	198	195	85,000	725,614
		10/67-11/68	" " "	3,989	1,817	371	371	0	n.a.	n.a.	371	0	100	184	91	96	114,843	622,498
		12/68 -	(Project in progress, data not available.)															
Oregon	Lane Human Resources, Inc.	6/66 -12/68	General unemployed: West	148	95	10	2	8	1	9	2	6	9	10	0	0	698	42,442
Pennsylvania	Bureau of Employment Security	4/66 - 1/67	Mass layoff: other occupations, glassblowers	248	152	39	19	20	7	32	12	27	31	31	8	0	12,636	19,928
		6/66 - 6/67	General unemployed: Appalachia	2,193	1,442	256	176	80	204	52	126	130	173	204	52	0	41,128	143,407
		7/67 -12/68	" " "	2,519	1,997	434	365	69	368	66	93	341	227	352	76	6	101,889	252,864
South Carolina	South Carolina Economic Opportunity Board, Inc.	7/67 - 8/68	General unemployed: South	No relocation activity reported		---	---	---	---	---	---	---	---	---	---	---	---	63,226
Tennessee	Department of Employment Security	6/66 - 4/67	General unemployed: Appalachia	2,060	684	151	130	21	138	13	n.a.	n.a.	n.a.	116	21	14	21,647	40,917
Texas	Employment Commission	6/67 - 1/69	Trained workers: South	2,535	1,603	981	948	33	981	0	981	0	895	899	82	0	394,884	174,289
Utah	Department of Employment Security	4/65 -12/65	Mass layoff: Professional & technical workers	351	203	60	59	1	21	39	49	11	40	50	1	9	35,914	20,559
Virginia	Employment Commission	4/65 - 9/65	General unemployed: Appalachia	920	704	200	159	41	197	3	200	0	111	125	74	1	33,702	54,824
		4/66 - 6/67	" " "	933	647	362	357	5	361	1	362	0	245	255	75	32	83,093	142,155
		7/67 -12/68	" " "	1,036	980	568	565	3	564	4	504	64	n.a.	451	117	0	175,866	323,789
Washington	Employment Security Department	1/67 - 9/68	General unemployed: West	889	845	372	369	3	258	114	296	76	272	313	25	34	179,480	240,450
West Virginia	Department of Employment Security	4/65 - 9/65	General unemployed: Appalachia	693	466	75	74	1	74	1	1	74	35	37	27	11	12,602	25,410
		3/66 - 6/67	" " "	1,920	1,686	568	518	50	526	42	18	550	n.a.	405	136	27	217,378	97,669
		7/67 -12/68	" " "	2,790	2,431	812	776	36	756	56	71	741	n.a.	626	159	27	270,759	189,250
Wisconsin	State Employment Service	1/66 - 6/68	General unemployed: North	1,800	820	333	327	6	233	100	n.a.	n.a.	n.a.	227	106	0	97,442	162,997

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[a] Cost data for two project populations served were not given separately in reports. Estimates were based on the relative numbers of workers in each group.

APPENDIX B.

FIELD TRIPS TO LABOR MOBILITY DEMONSTRATION PROJECTS

Agency: California Department of Employment
Mr. Gilbert L. Sheffield, Director
800 Capitol Mall
Sacramento, California 95814

Date: July 30, 1969

Location: Sacramento, California

Officials: Mr. Glenn Kefler, Operations Supervisor
Mr. Raymond Kelley, State Mobility Project Supervisor
Mrs. Betty Espey, Local Mobility Unit Supervisor, Sacramento local office
Mr. Edward F. Bahlhorn, Payments Supervisor, Sacramento local office
Mr. Earl C. Dillingham, Interviewer and Job Developer

Agency: Iowa Employment Security Commission
Mr. Jerome Corbett
Employment Services Director
1000 East Grand Avenue
Des Moines, Iowa 50319

Date: April 29 - May 1, 1969

Locations: Kansas City, Missouri
Des Moines, Iowa

Officials: Mr. Arnie Solem, Regional Manpower Administrator, Kansas City
Mr. Jerome Corbett, Employment Services Director, Des Moines
Mr. Kenneth Hays, Chief of Local Office Operations, Des Moines
Mr. William Hood, Iowa Project Director, Kansas City
Mr. Ken Brown, Employment Services Advisor, Denver Region
(Mr. Solem, Mr. Hood, and Mr. Brown participated in a seminar in Kansas City, which was also attended by Mr. Dave Ordway, Missouri Project Director. Mr. Corbett and Mr. Hays were interviewed in Des Moines on May 1.)

Agency: Northern Michigan University
600 Altamont Street
Marquette, Michigan 40855

Date: July 14-18, 1969

Officials:

A. Project officials

- Mr. James C. Schneider, Project Director, Marquette
- Mr. James Van Landegend, Project Coordinator, Marquette
- Mr. Aby Francisco, Wisconsin area staff, Marquette
- Mr. Stan Whitman, Project Analyst, Marquette
- Mrs. Barbara Gordon, Detroit area staff, Detroit
- Mrs. Mae Eilola, Secretary, Marquette

B. Other NMU officials at Marquette

- Mr. Russell W. Adams, Director of Business and Industrial Services, Public Services Division
- Mr. Ivan Ryan, former Mobility Project Director
- Mr. John Teigen, Director of Vocational Training
- Mr. John P. Kivela, Instructor, Machine Tool Operators
- Mr. Glen Temple, Instructor, Combination Welders

C. Wisconsin State Employment Service officials

- Mr. Gerald H. Machewsky, Assistant Manpower Director, Milwaukee Adult Office
- Mr. Paul A. Roth, Placement Director, Milwaukee
- Mr. Cal Langer, Industrial Placements, Milwaukee
- Mr. Carl Rayford, Assistant Manpower Director, Manitowoc
- Mr. Donald A. Huntley, Manpower Director, Green Bay
- Mr. Robert A. Murphy, Assistant Manpower Director, Green Bay
- Mr. Don Vandersteen, Placement Director, Green Bay
- Miss Lois Hutchins, clerical placements, Green Bay

D. Michigan Employment Security Commission officials

- Mr. Bert J. Whelan, Director of Manpower Development and Training, Detroit
- Mr. James Willoughby, former coordinator, MESC mobility project, Detroit
- Mrs. Frances Eastley, Manager, Calumet

Agency: Northern Michigan University - Page 2

E. Employers

Heil Company, Milwaukee, Mr. Harvey A. Niehoff,
    Manager of Industrial Relations
Manitowoc Shipbuilding Company, Manitowoc, Wisc.
    Mr. Nick Lambries, Industrial Relations
    Manager
    Mr. C. Shaw, Engineering Division
    Mr. Don Marquart, Engineering Division
House of Ryan, Green Bay, Mr. Frank Feught,
    Service Manager
Harnischfeger Corp., Escanaba, Mich.,
    Mr. Jerome Standard, Labor Relations Manager
Ford Motor Company, Personnel Records Department
    Mr. T. M. Wells
    Mr. W. G. Davallo

F. United Steelworkers of America, Calumet

Mr. Silvio Guisfredi, International Representative
Mr. Henry Snabb, President, Local 4312
Mr. Jerry Jacovac, Vice President, Local 4312
Mr. Gordon Jaaskelainen, Lawyer
Other union members

Agency: STAR, Inc.
Labor Mobility Project
106 Buschman Street
Hattiesburg, Mississippi 39401

Date: June 29 - July 3, 1969

Officials:

A. Project Officials

Col. H. Pope Huff, Project Director, Hattiesburg
Miss Myrtle Smith, Project Coordinator, Hattiesburg
Mr. James E. Johnson, Analyst
Mrs. Judy Johnson, Secretary
Mr. Jonathan Clayton, Supply Area Coordinator, Carthage
Mrs. Opal Moore, Project Area Coordinator, Booneville-Tupelo
Mr. James Champion, Demand and Supply Area Coordinator, Booneville-Tupelo
Mr. William Spencer, Demand and Supply Area Coordinator, Booneville-Tupelo
Mr. Elijah Wilson, Project Area Coordinator, Clarksdale
Mr. Richard Woodfork, Supply Area Coordinator, Holly Springs-Batesville
Mrs. Josephine Anthony, Supply Area Coordinator, Clarksdale
Mr. Jerry Bryant, Demand Area Coordinator, Memphis
Mr. Edgar Brown, Housing Area Coordinator, Memphis

B. Other officials

Mr. J. V. Moore, former Project Area Coordinator, Booneville
Mr. Glen Taylor, Manager, Mississippi Employment Security Commission Office, Clarksdale
Mr. Gustave T. Roessler, Executive Director, Coahoma Opportunities, Inc., Clarksdale
Mrs. Vincent, Acting Director, Urban League, Memphis

C. Employers

Eljer Plumbing Fixtures, Mr. Tom Westmoreland, Personnel Manager, Tupelo
E. L. Bruce Company, Mr. T. J. Scott, Personnel Manager, Memphis
Kimco Manufacturing Company, Memphis

D. MDTA officials, Clarksdale

Miss Marilyn Weeden, Counsellor
Mr. Don Carpenter, Instructor, Auto Body Repair
Mr. Weston Armstrong, Instructor, Auto Body Repair
Mr. F. Landries, Instructor, Automotive Repair
Mr. A. W. Mooney, Instructor, Combination Welding

Agency: Division of Employment Security
Herman Julien, Director
Department of Labor and Industrial Relations
421 East Dunklin Street
Jefferson City, Missouri 65101

Date: April 29-30, 1969

Location: Kansas City, Missouri

Officials: Mr. Dave Ordway, Project Director

(See also the Iowa section of this Appendix)

Agency: Unemployment Compensation Commission of Montana
Gordon R. Bennett, Chairman
The Montana State Employment Service
Mr. Jess C. Fletcher, Director
Helena, Montana 59601

Date: June 23-26, 1969

Officials:
Mr. Clarence C. Warriner, Assistant Employment Service Director, Helena
Mr. Jack Egge, Placement Officer and Labor Mobility Project Director, Helena
Mr. Edward Nelson, payments officer, Unemployment Insurance Division, Helena
Mr. Clayton A. Garner, Employment Service Local Office Manager, Butte, Montana
Mr. William Cady, Local Office Manager, Great Falls, Montana
Mr. Charles Dyer, Assistant Local Office Manager, Great Falls, Montana
Mr. Richard Spraggs, Employment Service Counsellor, Labor Mobility Officer, Great Falls, Montana

Agency:	Division of Employment Department of Labor State Office Building Campus Albany, New York 12201
Date:	June 26, 1969
Location:	New York City
Officials:	Dr. Walter Langway, Coordinator of the Interregional Project and Project Director for the New York State Labor Mobility Project

Agency: Pennsylvania State Employment Service
Mr. John Clark, Director
Pennsylvania Bureau of Employment Security
Department of Labor and Industry
Harrisburg, Pennsylvania 17121

Date: August 4-5, 1969

Location: Harrisburg, Pennsylvania

Officials: Mr. William C. Diosegy, Deputy Secretary for Employment Security
Mr. William Schaffstall, Director, Placement Services Division
Mr. Carl G. Fisher, Automation Services Unit, formerly Mobility Project Director
Mr. Thomas W. Snyder, Employment Service Area Field Coordinator, formerly Mobility Project Area Coordinator
Mrs. Jean Geulich, Interviewer in Phillipsburg local office

Agency: Washington State Employment Service
Washington Employment Security Department
Box 367
Olympia, Washington

Date: July 28-29, 1969

Location: Olympia and Seattle, Washington

Officials: Mr. John C. Kane, former Labor Mobility Project General Supervisor, Olympia
Michael H. Forslof, former State Project Officer, Olympia
Mr. M. T. Hewitt, Deputy Assistant Commissioner for Unemployment Insurance, Olympia
Mr. Fred Reisch, head of Special Payments Unit (UI), Olympia
Mrs. Shirley Gehrman, former Assistant Manager and Mobility Representative in the Ellensburg local office, Olympia
Mrs. Marian Marty, clerical staff, Olympia
Mr. Patrick Nesser, former Assistant Project Officer (ES), Seattle
Mr. Thomas Stokes, former Labor Mobility Job Developer, Seattle

Agency: West Virginia Department of Employment Security
Mr. Clement R. Bassett, Commissioner
112 California Avenue
Charleston, West Virginia 25305

Date: August 6-7, 1969

Location: Charleston, West Virginia

Officials:
- Mr. Brumach Stephens, Director of Employment Service
- Mr. James P. Painter, Chief of Operations
- Mr. James T. Dunlap, Manpower Coordinator, Area IV, former Project Director in 1965
- Mr. Orville Carpenter, Chief of Management Services, former Project Director in 1966-67
- Mr. Jack Matheny, Management Analyst, former Project Director in 1967-68
- Mrs. Donna Mitchell, formerly Project Interviewer in Charleston
- Mr. Jess Richardson, Employment Service Clearance Officer
- Mr. Stuart S. Whiting, Supervisor of Placement and Employer Services
- Mr. James Frampton, Director, Travelers Aid of the Kanawha Valley

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